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BULGARIA

KNSB Official on Nature, Role of Unions

91BA0226A Sofia TRUD in Bulgarian 27 Dec 90 pp 1-2

[Interview with Ognyan Krumov, deputy chairman of the KNSB [Confederation of Independent Trade Unions in Bulgaria]; place and date not given: "Genuine Trade Unionism Gains Ground"]

[Text] [TRUD] An interesting and stormy session of the KNSB [Confederation of Independent Trade Unions in Bulgaria] Coordination Council took place several days ago. The result of the first item on the agenda is known: By a vote of 47 yeas to 30 nays, it was decided to have an extraordinary KNSB congress in the second half of 1991. Does this signify a victory for the radical wing in the conference?

[Krumov] In my opinion, yes, though it is not a good idea to use the military terms "Victory, defeat, and so forth." A decisive part in making this constructive decision was played, as well, by the moderate centrist school in the KNSB that likewise holds to the principle of genuine trade unionism. But what is important is that, for the first time, forces were to be found in the Coordination Council that quite categorically opposed attempts to split up and take over the conference from within. I say this because, with the exception of Prof. Krus'o Petkov's oral statement, it was hardly necessary during the entire discussion for the deputy chairmen and members of the Executive Committee to intervene (except on procedural questions).

[TRUD] At the very beginning of the session, Mr. Zlatinov, chairman of the Independent Trade Union of Meat Industry Workers, proposed a declaration to set limits on the actions of the present Executive Committee and to hold, without delay, an extraordinary congress, prepared by only "the 15 large federations." Was this only his personal initiative, I wonder?

[Krumov] It is naive to think so. As can be seen, some representatives—and representatives of the large federations at that—voted to hold a congress in January—that is to say, with the main aim of changing the present leadership. At the same time, however, the chairmen of some of the major federations, including the federation of trade union organizations from the chemical and biotechnological industries, the communications trade union organization, the federation of trade union organizations of light industry, and so forth, categorically dissociated themselves from the proposed declaration. Not to mention the young trade union leaders of the newly created federations and trade unions, who convincingly and logically criticized severely the true aims of the "immediate congress" version.

[TRUD] The Coordination Council is a thing of the past. From now on, what will the KNSB leadership concentrate their attention on?

[Krumov] On a package of proposals, regarding which we begin talks today (Editor's Note: yesterday) with the government and employers. The main discussion will be conducted in accordance with the conditions of the International Monetary Fund and the impending price reform. As early as the previous meeting with the prime minister and employers, held before Christmas, Professor Petkov and Professor Stavrev defended the Coordination Council's principles stand on price and economic reform, approved at the beginning of December. Hence, the attitude of the independent trade unions toward the new government remains unchanged—you are a constructive opposition.

[TRUD] Reports have been creeping into the news that you have already given your consent to the prime minister's proposal of civil and social peace for 250 days.

[Kruov] That is inaccurate commentary. At the meeting before Christmas, it was stated, first, that the trade unions could guarantee social peace (civil peace would require the conducting of negotiations with other political, ethnic, and social movements and groups, as well). Second, the proposal for social peace could be accepted if guarantees are given for the fulfillment of certain conditions set by the trade unions. These are known and, I hope, reasonable: a price rise, yes, but with equitable compensatory adjustment; retrenchments, yes, but by law and with the opening up of new jobs; a new system of wage negotiation, and so forth. In this sense, we will give a guarantee to refrain from nationwide trade union protest actions. As for local labor conflicts sector by sector and enterprise by enterprise, these are not entirely under the control of the trade union central office. Therefore, we suggested to the prime minister that a careful study be made of conflicts that were brewing and that measures be taken to remedy them. In addition, it must be borne in mind that our federations and trade unions are independent formations and, according to their charters, are in their rights to decide the character of trade union actions for themselves.

I want to emphasize categorically, however, that it is the independent trade unions that have the paramount interest in the stability of this first-time coalition government. It is perhaps our last chance as a country and a national economy to begin (with the support of parliament and of the political forces) replacement of the present totalitarian structures.

[TRUD] Let us return to the unity of the Confederation of Independent Trade Unions in Bulgaria. Do you believe that those who tried to carry out a coup have given up their intentions?

[Krumov] Hardly. I am an optimist, though, because time works in favor of genuine trade unionism. Stormy events are coming, and it is no longer the KNSB Executive Committee, but the pressure of the organizations, of their unsolved problems, that will decide every trade union leader's fate regardless of the position he holds. It is not precluded that, in the forthcoming congress, our

ranks will be thinned out, and completely new and militant trade union leaders will come in.

[TRUD] At present, over 70 federations and trade unions are members of the confederation. Is this not rather many?

[Krumov] Yes, but already a start on consolidation has been made. I want to point out, for example, four power-engineer trade unions that have consolidated into one formation. Moreover, on the basis of information about membership dues actually remitted to us, a question will be raised at the very next Coordination Council about the actual number of members and the status of those federations and trade unions that exist only nominally as governing bodies and do not represent anybody.

[TRUD] Now that there is an Edinstvo [Unity] Trade Union, does this mean that every socialist's place is therein?

[Krumov] By no means. I would like to use this opportunity to state that genuine, modern-thinking socialists are welcome in the independent trade unions. Moreover, this holds true likewise for people of social democratic orientation, for greens, for agrarians, and so on. But because the question of socialists has been raised, I would like to call upon them not to give in to the provocations of the central and local Edinstvo organizers, and I make the following appeal: Ask yourselves who these people are who created Edinstvo? They are former party secretaries, pensioned-off trade union functionaries, and management personnel. What purpose are they pursuing by creating the new trade union? Apart from splitting up the KNSB, the purpose is to reestablish the primary party organizations locally. The KNSB has signed a political agreement not to politick or engage in political intrigue in the workplace. It is abiding by it and will abide by it strictly. At the same time, we will firmly protect the occupational interests of every one of our members, workers, and specialists, regardless of their political convictions.

[TRUD] Is there anything new in the tactics of the Podkrepa KT [Confederation of Labor] lately?

[Krumov] With the Trenchev-Beron affair behind it—an affair that dealt a serious blow to democracy and discredited the Podkrepa leadership—two new aspects are noticeable in its tactics. One is the emphasis on charity, the distribution of relief funds, food products, and so forth; the second is a diversifying of the potential range of Podkrepa KT sympathizers and members. We have information from many places that Podkrepa is being created by former party secretaries and administrative and managerial personnel, especially when they have been threatened by retrenchments. In these cases, a familiar method is used; forms are passed out and, with the data on the back, the gentlemen-comrades become Podkrepa members and make up its sections. All this is done before the eyes of the workers and specialists, and, with good reason, they are outraged. To what extent this is correct policy is, of course, an internal Podkrepa

question. I report these facts so that our specialists will know and not be pressured so much. In general, an amazing metamorphosis has resulted: The trade union for managerial personnel is already starting to become the KNSB. This is a highly significant fact and, from the viewpoint of gaining ground for genuine trade unionism, works strategically in our favor.

HUNGARY

Antall's Medical Treatment, Appointment Discussed

Debilitating Side Effects

91CH0332A Budapest PEST MEGYEI HIRLAP
in Hungarian 1 Jan 91 p unknown

[Article by A.Cs.: "Tamas Katona on the Prime Minister's Health: Do Not Put a Weapon in the Hands of the Defense State Secretary"—first paragraph is PEST MEGYEI HIRLAP introduction]

[Text] Tamas Katona, the historian and political state secretary at the Ministry of Foreign Affairs, is one of the most popular officials of the government. His expertise and preparation are greatly valued, not only by members of the coalition, but also by the opposition. He is especially respected in the city of Vac, which is also indicated by his election to deputy in the National Assembly as a nonpartisan candidate of the MDF [Hungarian Democratic Forum].

In the recent past, the state secretary met with members of the local government. He reported on his legislative and foreign affairs activities, and briefed the participants on the government's work. The conversation was recorded and broadcast this Monday by local cable TV.

Had a Few Weak Hours

The recently released statement on this matter contributes to the public's worry about Prime Minister Jozsef Antal's health. How seriously ill is the head of government; and is he able to perform his functions without grave damage to his health? In response to these questions, Tamas Katona said the following:

"At the moment, the situation is as described in the statement: The illness does not influence Jozsef Antal's capacity to work; more precisely, there are good ways to "maintain" the government head's freedom of action. The therapeutic treatment has had some very unpleasant side effects that are visible on Jozsef Antal. The head of government does not tolerate the treatment very well. Radiation treatment has yet to begin. We tried to arrange it so that at least those treatments should not take place in Hungary. The old equipment available here often does more harm than good. I must say that the illness and the treatment have not had a really debilitating effect on the prime minister, even though he has had a few weak hours because the treatment has taken a lot out of him. At the

same time, in a strange sort of way, the situation has had a certain liberating effect on him."

In response to a question posed by a local representative, Tamas Katona spoke about the worries attached to denominational schools that have been returned to their former owners:

"Vac was always a city of schools; the Piarists have great traditions here; but, in any event, the Piarists will not be only ones who will have a high school in Vac. Yes, we should make good of the opportunity of having the Piarists' novitiate come to Vac. This means that the priest-teachers will educate the teachers in Vac, and they in turn will teach at the local vocational school. This way, we will have greater benefits from the small classes."

In the course of the conversation, Tamas Katona also stated his opinion concerning the work performed by some of the government's ministers and secretaries of state.

Something Said During Difficult Times

As we all know, Kata Beke, the secretary of state for cultural and educational policies, chided her fellow educators when they were staging their protest. In her person, we saw someone at the ministry who had quite a bit to say concerning educators during the difficult period when the state-party ruled, and who was one of the initiators of the educators' mobilization. However, on her own she came up against the concrete wall of a hostile apparatus, which we must eliminate, if we want to accomplish anything in the sphere of education. Ferenc Glatz, the previous minister of education, began to destroy this wall. Ferenc Glatz was member of the MSZMP [Hungarian Socialist Workers' Party], and the new prime minister insisted that the new government not include a single person who was an MSZMP-member even for one minute. If we were able to form a coalition with the Socialist Party, we could have retained Ferenc Glatz and even Gyula Horn.

The state secretary for foreign policy had the following to say about the leadership of the Ministry of Defense:

Hasty Actions Are Not Effective

"When it came to choosing Lajos Fur for the post, I was personally responsible for that, because I wanted to prevent the appointment of someone else as Minister of Defense. I felt that the person in question was working very well; quite ambitiously and with great diligence, but that his personality is such that we should not put a weapon in his hands, and that it was advisable to place above him a practical-minded man with a good sense of humor, such as Lajos Fur. Indeed, this Fur-Raffai combination is still working very well, aside from the affair of the Trianon memorial, which made us somewhat vulnerable."

As for the work of the government, Tamas Katona said: "It looks like now that the new cabinet has been introduced, we can finally start working under tranquil and organized circumstances. We are surrounded by hasty actions, which are not effective. This is the style we must change, and now we have an opportunity to do so."

Anyone familiar with him knows that Tamas Katona is not only a well-known historian, and now politician, but also an excellent speaker with considerable writing talent. However, it is one thing to speak "live," and another thing to write something for publication. Transformed into written text, conversational speech loses some of its originality, wit, and character. If we barely altered it this time, it is because we tried to remain absolutely faithful to what was said.

In addition to Tamas Katona, we thank the staff at the Vac cable television studio, whose work facilitated publication of this document which we find so interesting and informative.

Resignation Offer

91CH0332B Budapest NEPSZAVA in Hungarian
12 Jan 91 p unknown

[Article by Tamas Talpai: "Tamas Katona Offered To Resign: The State Secretary Spoke Off-the-Record"]

[Text] In the last few days, considerable sensation was caused by the article that appeared in the PEST MEGYEI HIRLAP and the KURIR, based on a cable television program broadcast in Vac. It presented a conversation between Tamas Katona, the state secretary for foreign affairs, and members of the Vac city government.

The publications cited Tamas Katona's remarks on Prime Minister Jozsef Antall's illness, as well as his opinions concerning the work of several cabinet members.

In connection with the affair that aroused great interest, we turned to the state secretary, who told us that these passages were made public without his knowledge and permission (?). The cable television program was produced when he wished to address his constituents with a New Year's greeting. Before the greeting was recorded, he conducted a private talk with the city's Christian Democratic mayor, and his MDF-member [Hungarian Democratic Forum] deputy.

All the while, the television crew was working, but everyone thought that they were testing the equipment instead of recording the conversation. That is not what happened. The conversation was broadcast by the television studio, and the article in the PEST MEGYEI HIRLAP was based on that program.

Tamas Katona found it disturbing that a private conversation, which was not intended for publication, was aired

without his consent. He considers it very regrettable because, unwittingly, he insulted some of his own personal friends.

As for the affair's political consequences, he told us that he has offered his resignation to the prime minister, who did not accept it. The state secretary insisted that in the event the prime minister were to change his mind, he would resign his position without hesitation.

Defense Minister Fur on His Role in Government

91CH0381B Budapest TALLOZO in Hungarian No 4,
25 Jan 91 pp 162-163

[Interview with Defense Minister Lajos Fur by Dezso Pinter in the minister's home; date not given: "I Always Liked Unambiguous Situations"—first two paragraphs are TALLOZO introduction]

[Text] There was no possibility for this talk to take place in the office during working hours, because the defense minister is a busy man. He suggested, as the most natural solution, to have this interview in his fifth-floor home in District 7. He cannot state as unequivocally that Hungary cannot come to be viewed by any country as an enemy as he can state that Hungary views no country as an enemy.

He tells this journalist that it will come as a surprise that it is the Romanian defense minister, among his colleagues abroad, with whom he entertains the most personal relationship. No, it is not true that he never takes an important step without first consulting Jozsef Antall. Conversely, it is true that it is unpleasant to speak about whether he is aspiring to a post like that of deputy prime minister, but he will not shy away from answering. Lajos Fur also understands that two interviews are being made simultaneously: the first one on the Gulf crisis, Lithuania, the changes in the Hungarian government, and [the second on] public response to the price increases (this one already appeared on Monday). He is signaling with a broad gesture that he is ready for anything.

[Pinter] I do not know to what extent you considered not having the defense portfolio emerge as a loser from the parliament's debate a question of personal prestige, but it seemed to me that it was. This struggle for the billions of forints probably changed your image, because you carried out your tasks in an unusually quiet manner. Were we witnesses to a change of style?

[Fur] Possibly. Time is needed to become familiar with a field of work and to gain self-confidence, and that time is up. I have always been one of those who have not only work, but also commitments. Destiny has now made me a defense minister, the chief executive of the Hungarian Army's public and state administration, therefore, zeal is something that is a given.

[Pinter] The constitution says that the commander in chief of the armed forces is not the defense minister but

the president of the republic. Does the exact interpretation of this create any problems for you?

[Fur] It does not. In reality, no situation existed in which a clarification would have been needed. Rather, interpretation may raise questions within the military leadership, but it is reassuring that there is a constitution which precisely describes the responsibilities, duties, and authority of the president of the republic and the ministers, and that there is a defense law which gives an even more detailed description of what the positions of the commander in chief, the commander of the Army, and the ministers entail. These may be referred to in defending certain differences of interpretation which exist.

[Pinter] Even now?

[Fur] Presently, there are none, but they may, and will, emerge. We are currently getting ready for an extensive reorganization involving the ministry and the Army, which was, in part, made necessary by the budget. One of the important things to settle is the relationship between the ministry and the army commanders. The unclarified questions emerge not so much in the relationship between the commander in chief, the ministry, and the Army, but rather in the relationship between the Army and the ministry.

It Should Have Begun Earlier

[Pinter] In reality, what is your responsibility?

[Fur] As an executive of state administration, it is on the government's side from which I must supervise the Army and create the necessary conditions for its operations, from statutes to finances. Thus, my work does not involve professional supervision—that's the trained generals' responsibility.

[Pinter] You probably could not have previously known those officers and commanders with whom you are now working because you were a historian. Nonetheless, was it possible to create a relationship of sorts built on trust?

[Fur] I myself was surprised in one or two instances with how much has been created. But there are instances to the contrary as well.

[Pinter] Does that entail personal consequences?

[Fur] Conceivably, yes.

[Pinter] Are you in a position to be able to expound on that?

[Fur] I am not, because certain decisions have not yet been made. After the implementation of the change of structure, after relationships between the Army and the ministry are from all aspects set straight, after the spheres of authority are completely clarified, then changes in personnel may commence.

[Pinter] Have you made any real mistakes during the time that you have been a minister?

[Fur] Yes, this is precisely what we are talking about. Reorganization should have begun much earlier, I was too cautious in handling these issues because I was not familiar enough with this territory.

[Pinter] In the final analysis, what is at stake in this reorganization?

[Fur] A new military defense strategy must be worked out which demands a reorganization of completely new military and weapons branches. The earlier military strategy was offensive and part of a large system of alliance. A new one must be created that meets the demands of the present situation, and this means not only a change in the ratios between the military and weapons branches, but also their repositioning according to their new tasks. This, in turn, necessitates new technologies and defensive weapons that are modern, effective, and affordable. Beyond military and professional issues, it is important to make the Army part of the nation. It must be an army that is not only rid of politics but also totally committed to the national cause, not only that of the present, but also that of the past. It must be the kind of army that Hungary never really had before, only the possibility of such an army, say, in 1848-49, when there was not enough time to implement it.

The Army Would Defend the Country

[Pinter] You have stated on numerous occasions that there is no country in the new world situation that you consider a potential enemy. The region in which we live and which is struck mainly by the economic catastrophes, lacks the desirable political stability, and the reactionary forces are unforeseeable. Do you think that Hungary could not be considered an enemy by other countries either?

[Fur] I cannot state this with the same absolute certainty as I can unequivocally state that Hungary does not consider anyone an enemy. We feel that no one threatens us at the moment. It is another question whether the factors of uncertainty that you mentioned may create a hostile, or at least an unfriendly attitude toward us.

[Pinter] What kind of personal relations do you have with defense ministers of other countries?

[Fur] You will probably be surprised that my best personal relations are presently—should I or should I not say, I do not know whether I help the cause—with Romania's defense minister, Mr. Stanculescu. He and I have progressed quite a ways in establishing bilateral military relations, and we have signed an agreement of cooperation encompassing a wide area. He is a Romanian leader who tries to evaluate the relations between his country and the neighboring countries in a European manner. I know, what I am saying may come as a surprise, because Mr. Stanculescu was deputy minister during the Ceausescu regime. Very good relations have been established with Mr. Vacek, the onetime Czechoslovakian minister and general of the Army. We have prepared a bilateral military agreement which will be

signed shortly, but I have not had any talks with my new Czechoslovakian colleague. I have twice met with Mr. Yazov, the Soviet defense minister. We are urging him to come and talk because we want to sign a bilateral military agreement as soon as possible with the Soviet Union as well. Since the Warsaw Pact's military organization will be dismantled, it would be good, especially with the Soviet Union, to have an agreement with precise details. In the absence of such an agreement, the operation of the Hungarian Army could slide into a crisis, because most of its weapons have been imported from the Soviet Union.

[Pinter] Are you planning continued imports of Soviet technology and weapons?

[Fur] By and large, yes. The weapons must be operational, and parts must be obtained from the source of manufacture. In the long range, we like the example of Finland where military technology was built in part with Soviet, and in part with Western imports. This is what we would like, too; to combine Hungarian, Eastern, and Western technologies, which is also desired by our geopolitical situation.

[Pinter] How strong is the Hungarian Army?

[Fur] It is not inferior to the armies, combat readiness, and military effectiveness of the neighboring countries. Even if it is smaller in number, it matches, say, the Czechoslovakian, Romanian, or Yugoslav Armies; of course, the Soviet Union is in an entirely different category. Thus, if you are asking whether it could stand against a threat from a neighbor, for which there are no signs at present, then my answer is yes, the Hungarian Army would be able to defend the country.

The Head of State Trusts His Minister

[Pinter] You regularly appear in public but still, one has a sense of want. Do you consciously refrain from comprehensive analyses of domestic policies?

[Fur] Yes. I have already mentioned that I must first become familiar with the world in which I play an executive role. After gaining self-confidence, I might have the time and energy for surveying the entire Hungarian domestic policy.

[Pinter] Is it possible that this is just a preparation for a larger role in domestic politics?

[Fur] I would not go so far as to say that.

[Pinter] I find it hard to assume that you are not being criticized by your fellow associates, but it seems so. I have heard from a member of the MDF [Hungarian Democratic Forum] national committee that there are two people in the party leadership they will not speak against: Jozsef Antall and Lajos Fur. Is this true?

[Fur] Yes, it is true. One manifestation of this was the ovation with which I was greeted at the MDF's fourth

national meeting. And then, look at this letter, the entire Tiszabod organization left the MDF but expresses appreciation for me.

[Pinter] Regarding the MDF's internal currents, with which one would you identify yourself?

[Fur] Having come from a peasant family and having been educated in a Calvinist reformed high school in Csurgo, I consider myself part of the populist-national wing. As a historian, I am very familiar with 19th-century Hungarian history in which Kossuth, Szechenyi, Deak, and Eotvos represent for me the pinnacle of Hungarian political thinking. They themselves were liberal all the way. True, they were national liberals, and the adjective 'national' is crucial in this context. I grew up in the Christian-Protestant culture which could connect one even with the Christian Democrats, not only from the religious or moral aspect, but also because of the Protestants' democratic European substance. Thus, it is difficult for me to decide with which political line I can identify.

[Pinter] Who stands closest to you in the MDF?

[Fur] The writers, poets, and scholars, because they are the ones with whom I started to build the Hungarian Democratic Forum: Csoori, Csurka, Gyula Fekete, Lezsak, Gy. Csaba Kiss, Rudolf Joo. For a long time, Zoltan Biro was also close to me, he was a good friend of mine.

[Pinter] You used the past tense. Is your friendship with Zoltan Biro over?

[Fur] Not at all, we just simply do not have the time to meet. In general, I miss very much those meaningful and long talks, when the MDF still had no headquarters, no membership, no money; in this room where we are talking, we sat down in the afternoon and by 0200 hours had saved the world.

[Pinter] I hope I am not insulting you, but I must tell you that there are people who think that you never take an important step without first consulting Jozsef Antall.

[Fur] Since I have been minister, Jozsef Antall has never interfered with what I had to do. If there was an opportunity, I talked to the prime minister before making more important decisions or after taking care of significant affairs. We have been meeting more often recently. I am also a member of the national security cabinet, and the meetings provide opportunities for discussions, but we very rarely talk about issues involving the ministry or the Army. It seems that the head of state trusts me and does not think that direct interference is necessary.

He Is Uninterested in Personal Speculations

[Pinter] Division of labor is a constant topic in every government of the world. You are a defense minister, and this a rather prestigious post, but in your case the issue includes something else as well: your stable party

position, and the head of state's trust in you. Do you think it is conceivable that you would have responsibilities different from your present ones in the government's division of labor?

[Fur] I understand what you are driving at and that I cannot evade your question. Let me state openly that you are thinking of some kind of a post like that of a deputy prime minister, or of responsibilities of similar nature.

[Pinter] So, you have heard this from other people, too?

[Fur] Yes, I have heard both enigmatic hints and clear references. They come from both political and nonpolitical circles, but I do not take these speculations seriously.

[Pinter] Is it unpleasant for you to talk about them?

[Fur] Yes, from the aspect that I am not interested in speculations. On the other hand, I do not mind talking about them now, because I can confirm that no post of deputy prime minister or any similar office exists in the government. The constitution would have to be modified in order to create one. The way it stands now is that in case the prime minister is incapacitated, the minister of interior has the authority to substitute for him, if he also is incapacitated, then the minister of foreign affairs will substitute, and only after that comes the minister of defense. Thus, he stands in fourth place as a substitute.

[Pinter] Do you think it is conceivable that this order will change or that you will be given a tailor-made task?

[Fur] No, not at the moment.

[Pinter] Are there any plans in this regard?

[Fur] I know nothing about any. Perhaps this long talk has convinced you that I am putting all effort into living up to my duties as defense minister because I like this responsibility. I always preferred unambiguous situations like, this is what is to be done today, or this is what I will concentrate on. I honestly believe, both as a politician and a private individual, that no unexpected situations will emerge. My way of thinking has never allowed a prominent place for personal speculations.

Dr. Andras Galszecszy Describes Reorganization

91CH0325A Budapest PESTI HIRLAP in Hungarian
9 Jan 91 p unknown

[Interview with Dr. Andras Galszecszy by Gabor Somogyi; place and date not given: "Now You See the Agent, Now You Don't"—first paragraph is PESTI HIRLAP introduction]

[Text] Since the complete collapse of the party state, this is now the second time that we have had a minister without portfolio in charge of the Hungarian intelligence services. With the departure of Dr. Peter Boross, his onetime colleague, the former chief government counsel Dr. Andras Galszecszy, has been offered the ministerial velvet chair. At the time of his appointment, the press

gave only a compressed rundown of the career of the 57-year-old doctor of jurisprudence, so at the beginning of our conversation I asked him to briefly introduce himself to the readers of our paper.

[Galszecszy] I know that the biography released earlier ended with the statement that from 1964 until the late 1970's, I worked in state administration. I think that you are mainly interested in finding out what I have since been involved in. Well, there are no secrets in my life, as until now, I have worked exclusively in local government and in the economic sector. Starting in 1979, I was employed as deputy director of the directorate serving foreigners at the Banking Institutions Center for a year, but I did not like that job very much. I found out that my area of responsibility was actually a subsidiary of the Interior Ministry, where I had a lot of senseless paperwork dumped on me by my superiors. That is why I was so pleased to accept the offer from the SOTE [Sемmelweis Medical College] to join them as their deputy business director, which was the post that I held until July of last year.

[Somogyi] Rumor has it that it was your friendship with Mr. Boross that landed you the chief government counsel's position in the office of the council of ministers.

[Galszecszy] It is true only to the extent that it was friendship that brought me closer to politics, but Mr. Boross I had not known until as recently as July. We did have a common friend who had been his classmate in college, and who was my colleague at the university. Well, that is all there is to tell.

[Somogyi] Mr. Minister, when you were chosen as one of the people to head our intelligence services you were, we can say, completely inexperienced in the field. Were you not concerned about the mounting number of unknown challenges facing you?

[Galszecszy] Initially, when serving as chief government counsel, I was an administrator like everyone else working in an office. This meant that I had a horrendous volume of paperwork to read through every day, and I had to comment and sign off on plans prepared at various levels. Since my appointment to the ministerial post, I have been working to dig deeper and deeper into various details of the job, which I do very simply by badgering my colleagues. You know, it is a strange thing to be a minister without portfolio, because even though my legal status is the same as that of the leaders of other ministries, I still do not have the same kind of organization that they have behind them. Altogether, there are nine of us in the entire "apparatus." Naturally, I can also directly count on the work of one counsel from each of the two offices under my supervision. Intelligence work as a profession, in my opinion, is not something that needs to be mastered down to the last detail; after all, my job is "merely" to ensure that the provisions of the constitution and the decisions of the government are adhered to from the point of view of both the National Security and National Information Offices.

[Somogyi] Before your appointment was announced, you had asked the prime minister to continue to keep these offices independent of political parties. Still the parties of the government coalition can set various tasks for you.

[Galszecszy] The way you put it is not correct. The functioning of the government is as independent of the positions formulated by the parties on individual issues as it is on a product of a parliamentary design that is made up of democratically elected parties. On the other hand, it is naturally expected in every democratic country in the world for intelligence services to operate in accordance with the intent of the government. However, it would be out of the question for anyone to call on me, asking me for my help in achieving his party objectives.

[Somogyi] Since the establishment of the two independent offices, intense steps have been taken toward internal reorganization. Can these efforts, as a result of which 48 people from the National Security Office, and 40 from the Information Office have been bid farewell, be considered completed?

[Galszecszy] As far as we are concerned the reorganization has been completed only to the extent that the two offices have yet to find general directors with the right civilian credentials. Unfortunately, we must face the fact that we are still haunted by the past, and that people are not enthusiastic about volunteering for these careers, despite the fact that the changes are well known. This deputy state secretary position, and the accompanying salary of 52,000 forints, which a middle-aged professional could make anywhere else with much fewer responsibilities, is not an attractive one.

[Somogyi] You mentioned fundamental changes. How should this be interpreted in the area of intelligence? Have you finally found what you thought was your lost image of the enemy?

[Galszecszy] Please, forget this enemy image business. We do not consider anyone to be our enemy; adversaries perhaps, but not enemies. I think that this is a tremendous difference as compared with the old concept. Who our adversaries are always depends on the timing and nature of the differences of interests that may arise between ourselves and certain countries. For example, from among our changed methods of operation, I would call your attention to the fact that we no longer send agents abroad with so-called deep covers. We are putting greater emphasis on improving the thoroughness of our analysis of openly collected data. We will use every legal means at our disposal to support that effort. Our aim, irrespective of the country, is to obtain all the information that we can that pertains to economic, political, military, or other intentions that may in any way affect Hungary.

[Somogyi] In your opinion, will we be able to make smart use of these kinds of information?

[Galszecszy] This is no longer solely my responsibility. The state apparatus is a living organism that may interpret information either correctly, or incorrectly. Naturally, any material that we compile we will be accompanied by comments and recommendations, but the manner in which they may choose to use that information will no longer be our concern.

[Somogyi] Let us talk about the change of principles that have been implemented in the National Security Office. With the dissipation of what used to be a clearly defined image of the enemy, it seems that our counterintelligence people are a bit confused about what to look for. I would think that it would not be easy to identify agents of the adversary who are posing as respectable businessmen or tourists.

[Galszecszy] That is exactly right. Moreover, this task has been made even more difficult by the fact that presently we do not have a single agent. As rumors of the so-called agents' lists began to spread, they completely disbanded the network, without which, even the intelligence services of the most democratic countries cannot do their job. What is interesting about this is that the people most unnerved by this development were the ones who used to do this kind of work for a living. At the same time, we have forgotten that, recruited or not, members of the former MSZMP [Hungarian Socialist Workers' Party] were expected to promptly report any attempts to undermine the position of the party. For all practical purposes, they had 700,000 agents working for them, although I know that most of these people had no intention to live up to the obligations prescribed for them by the party.

[Somogyi] What is the position of the draft national security law currently before parliament on the agent issue?

[Galszecszy] If adopted by parliament, the law will allow us to assign SZT [trade union council] officers with cover professions to certain enterprises considered important because of their functions. This will apply to state, as well as private enterprises, since the determining factor here is field of specialty.

[Somogyi] Forgive me, but this arrangement sounds hauntingly similar to the one that you had in the past.

[Galszecszy] As far as the solution and the methods are concerned, you are right. However, the circle of enterprise to be affected will be much narrower, and the tasks to be accomplished will be completely different. Look, in a society where journalists can write without fear that every single member of the government is a cretin, what is there to be afraid of at the work place? The job of these SZT officers will be not to summarize the good and bad opinions of certain individuals, but rather to assist in management. Also included in the draft law is the option known from the American legal system as immunity from prosecution which, however, cannot be equated with recruitment. Still, it is obvious that if an individual volunteers information about having learned about

preparations to commit a terrorist act to the appropriate authorities, they may agree to drop charges of super-market theft against him.

[Somogyi] Judging from your words, it is my impression that if it were up to you, you would like us to forget about the former agents' lists forever.

[Galszecszy] I know very well that there are many who reject my position, but I feel that in the interest of the country, we must put aside individual grievances. I can say this in good conscience, because I believe that I also have legitimate grievances. Incidentally, to my knowledge we have no credible lists that could be used to prove anything at all; in fact, it is not impossible that the lists referred to also contain disinformation and fictional files.

[Somogyi] Recently one has had the feeling that your relationship with the criminal apparatus of the police has been less than harmonious. Are you trying to change this?

[Galszecszy] Unfortunately, the damaged relationship between the police and the intelligence services is something that we have inherited. The latter thought of themselves as the elite of the party state who did not like to associate with "plain" detectives, but there have been similar feelings of resistance among the police as well. Since our tasks and goals coincide on several points, we cannot tolerate such attitudes. Perhaps we will be able to ease these tensions by taking a collective stand with the interior minister against senseless animosities stemming from positions of imagined authority.

Former Communists 'Rat Controllers' in Phone Book

'Error' in Government Listing

91CH0382A Budapest TALLOZO in Hungarian No 4, 25 Jan 91 p 160

[Article by Szakonyi reprinted from KURIR 15 January 1991: "Rat Controllers: Balazs Horvath Was on Guard"—first paragraph is TALLOZO introduction]

[Text] In these worrisome and tense times it is difficult to make our lawmakers forget their troubles and loosen up even for a few moments. Balazs Horvath, the former Minister of Interior, nevertheless succeeded in doing just that.

It was 1430 hours on the parliament building's big clock when the former lawyer, known for his universal talents, came running through the vaulted halls currently under renovation. In his hand was a copy of the national classified telephone directory published barely a week ago. "Look at this," he shouted to the journalist and deputies present who were right in the middle of their afternoon snacks. He opened up the phone book on page 815, and pointed to one of its columns. Everyone was speechless upon seeing that listed under the heading

"Rat Control" were the names, complete addresses, and telephone numbers of some of the (in)famous leaders of the former party-state, including Andras Benkei, Szilveszter Harangozo, Ferenc Pallagi, Jozsef Horvath, and Frigyes Puja. The work of the minister currently without portfolio was an unqualified hit among all of the MDF [Hungarian Democratic Forum] representatives present. Denes Csegey burst into loud laughter, and even the face of Istvan Csurka, who is famous for his self-control, cracked a smile....

Naturally we immediately called the editorial office of HTD, Ltd., the publisher of the telephone book, where the news was received with shock by Dr. Maria Balazsy. It took her several minutes to investigate the matter in her computerized records. It turned out that the names and addresses were correct, and had been sent in at different times, with different handwriting. Maria Balazsy also told us that the "smart telephone book" had been distributed to all parliamentary deputies around noon as a complimentary gift of her firm. After we had talked to her, we did a little computing of our own. If Balazs Horvath first picked up the book at the time the parliamentary session opened, it had to be at 1300 hours. Hence there are two possible explanations. The first is that Balazs Horvath immediately proceeded to find a firm to take care of his pressing rat problem, and that is why he opened up the thick directory at this ominous page. If this was not the case, then obviously he must have been practicing the art of speed reading which enabled him to get through the 1165-page directory and identify this blatant error within just an hour and a half. The third possibility we do not even dare to think about....

Andras Beneke Sues Publisher

91CHO382B Budapest TALLOZO in Hungarian No 4,
25 Jan 91 p 160

[Article by Z.K.; article reprinted from KURIR, 16 January 1991: "Rat Control Provocation"]

[Text] It was on the Monday edition of TV 2 News that the so-called "rat control scandal" first broke. Listed under the heading "Rat Control" on page 815 of the new classified telephone directory published by HTD, Ltd., were the names of Andras Benkei, Szilveszter Harangozo, Ferenc Pallagi (the latter two were defendants in the "mirror image" trial of the Vegvari case), Jozsef Horvath, and Frigyes Puja. It was also from that television news program that we learned about the intention of one of the persons included on the rat control list, former Interior Minister Andras Benke, to initiate a civil suit against the publisher.

Below is the text of the exclusive interview granted to our paper by retired police Major General Ferenc Pallagi:

[Pallagi] I also learned about the incident from TV 2 News, and was greatly shocked by what I heard. I consider the release of the announcement to have been of low class and bad taste. I cannot imagine what political

aims could have prompted the persons responsible to resort to such a step. Obviously, the announcement will help those who wish to further discredit my political past. In my opinion this was an intentional and conscious political act.

[Z.K.] Do you intend to follow Benkei's example and take any kind of legal action?

[Pallagi] Kicking a person who is already down cannot be called a chivalrous act by any standard. Hence, I can only congratulate the perpetrators. Looking at the case right off the bat I would say that as a minimum I will initiate a civil suit.

Right-Wing Provocation Discounted

91CHO382C Budapest TALLOZO in Hungarian No 4,
25 Jan 91 p 160

[Interview with Jozsef Horvath, former chief of Section III/III of the state security service by Szakonyi; article reprinted from KURIR 21 January 1991: "It May Backfire; Jozsef Horvath Will Not Sue"]

[Text] The chief of Section III/III of the state security service, Jozsef Horvath, is also listed by name on that ominous page 815 of the National Classified Telephone Directory under the heading "Rat Control." Yesterday we asked his former boss, Ferenc Pallagi about what he now intended to do. Now it is the former deputy leader's turn to speak.

[Horvath] I learned about my situation from television news. After only a few minutes the phone rang and a familiar voice requested rat control service. I told him that I considered his call to be a provocation at which point he hung up. The same voice called again the following morning, aggressively insisting on requesting rat control service. I repeated what I had told him the previous evening to which he responded that he wanted to hire my services to bring today's political rats under control. (Here, Mr. Horvath specifically mentioned someone by name, which in order to avoid further complications we will not provide here.—Ed.)

[Szakonyi] Were these all the calls that you received?

[Horvath] No. My phone has rung another 30 or 40 times; some of the callers, for example, the Dairy Industry Enterprise, have been genuinely interested in requesting my services to bring their rodent problems under control. These people I simply informed that they had been victims of an act of political machination. Incidentally, I have already become accustomed to receiving such calls, as in the aftermath of the Danubegate affair I used to have many people calling me. The difference between then and now is the apparent change of tone from an abusive, to a more moderate form of harassment. In most cases they are only calling to pull my leg. My opinion about the whole affair is that it was a case of political provocation, which unlike in similar circumstances in the past, did not originate from the far

right. This was clearly another attempt to whip up sentiments against officials of the former system who served in the Interior Ministry. However, what they have failed to consider is that their intention may also backfire.

[Szakonyi] Tell us Mr. Horvath, how long would it take you to uncover the person or persons responsible for "smuggling" your name and telephone number into the classified directory?

[Horvath] As the readers no doubt recall, in the case of that certain ominous flyer inspired by the Arrow Cross Party, we achieved quick results by uncovering within hours that its author was Roland Antoniewitz. The reason why it had taken three days to publish his name was because we had to compile evidence against him. By analyzing the original post cards and identifying the voice that has called me twice already, it would take very little time to figure out the perpetrator.

[Szakonyi] It is by no means certain that the person who called you was also the perpetrator, even though the listing of full addresses and telephone numbers does seem to suggest that we are not talking about an outsider.

[Horvath] This is very likely to be the case. Just whose interest this "prank" really served, I can only guess. What I am certain of is that their action has put us and the present political leadership in an equally uncomfortable situation. The apparent intent was to suggest that the former Interior Ministry organization is still alive and well, hence it must be feared. However, it is certain that their primary goal was to pit us against the present government in order to prove how disruptive they could be.

[Szakonyi] Do you plan to sue?

[Horvath] No, because this would only serve the intended goals of those who had planned and carried out this whole provocation.

POLAND

Western Pomerania: German Minority Groups Emerge

91EP0304A Warsaw PRZEGLAD TYGODNIOWY
in Polish No 2, 13 Jan 91 pp 8-9

[Article by Roman Czejarek: "Ties of Blood: In Szczecin Several Groups of Supporters of the Propagation of Germanic Tradition Are Formed"]

[Text] German relics in Western Pomerania can be found at practically every step. In Szczecin itself an overwhelming majority of parks and squares was built on the wartime ruins of old cemeteries. At the most representative place in the city, near the huge Monument to the Feat of Poles, to which, to this day, all the more important delegations and foreign tour groups are brought, decorative partitions were fashioned from

smashed tombstones. Lack of skill on the part of the workers resulted in that many marble slabs in these partitions bear inscriptions on the outer surface. And it sometimes happens that German tourists are horror stricken as they read the faint Gothic inscriptions from the tombs of their ancestors.

The idea that German relics need somebody to care for them first cropped up in Dargobadz. Thus, that small village located on Wolin Island, next to the traffic-laden E-14 Highway, happened to act as an isolated German outpost.

"Properly speaking, the official founding group of the Sociocultural Society of the German Minority are in Gryfice," said Jan Sitarski, "but the fact is that both I, as the deputy chairman, and my son Robert, the chairman, live in Dargobadz."

The news about the emergence of the heretofore "non-existent" German minority attracted many reporters to that village. Journalists had to be satisfied with interviewing the senior Sitarski, whose regular occupation is vendor of Western juices and chewing gum at a small roadside kiosk. His exceptionally meager comments indicated that his son is at present abroad and his father's family comes from Kielce Voivodship.

The issue of the German minority was revived only two months later, after the Society was registered in a court.

An employee of the Szczecin Radio and Television Center said, "They came and looked for new members. They brought along copies of their statute and membership application forms, which they distributed to those interested. Here at our offices one such person showed interest. Ironically enough, he was an older man, previously known for his patriotic, Polish attitude."

Elsewhere there was no shortage of willing candidates. In Szczecin the rumor was that anyone who would declare himself to be of German origin and sign a membership declaration would paid 300 German marks [DM]. The effect exceeded the broadest expectations. Toward the end of the vacation season the Society could boast of more than 1,200 members concentrated at six local branches.

"Our aim is to propagate broadly conceived German culture," Jan Sitarski explained calmly. "Most of our activists are young people. Above all, we want to teach them the German language. We are thinking of opening a German library and popularizing German history."

This idyll was interrupted by the sudden emergence of another group of supporters of the propagation of German tradition.

"One day several men came to me and proposed founding our own society," said Jan Kielczewski, for 12 years the chairman of the Szczecin City Office of the Polish Tourist and Local Folklore Society. "After thinking it over, we all met at Korab, the shipyard's house of culture, and there formed the Heimat Bund

German Cultural Society. I believe that my experience was decisive to my being elected the chairman of this organization."

This time it was the appellation that was found most disturbing. "Heimat Bund" means "Home Association" or "Fatherland Association." And therefore?

"The name was chosen spontaneously," explained Chairman Kielczewski. "Indeed, I now admit that it has caused us some problems. But what of it, one has to persist."

At the founding meeting people spoke in Polish. One man asked why they should not simply sign up for the already existing organization of Mr. Sitarski, but the newly elected officers of Heimat Bund stated categorically that officially they knew nothing about that organization.

"They built their group in a very conspiratorial manner," the chairman now said. "Besides, I believe that we were the first in Szczecin, and besides also our program of action is different."

The principal purposes of Heimat Bund are to consolidate the culture and language of the German minority and to protect the numerous but neglected German relics. The association has for the time being a membership of more than 200, of whom approximately one-fourth are of proven German origin.

In such a situation the Dargobadz group chose upon a course of action. In an interview granted to the local press, it denied categorically the rumor that it paid 300 DM apiece to prospective members for filling out the membership application. It began to energetically establish new branches. At the same time, it was officially confirmed that the society was negotiating with Deutsche Bank about financial assistance.

"If the gentlemen from Heimat Bund knock at our door, we are ready to hold talks," declared Chairman Robert Sitarski. But we do not admit to our society just anybody. The applicant must prove his German origin with the right documents, such as birth certificates or Ausweise [identity cards]. Of course, some applicants may fool us, but sooner or later they will be found out."

"We also may talk with that other group," claimed Chairman Kielczewski. Our organization is open to everyone who accepts the statute of Heimat Bund and pays the application fee (20,000 zlotys) and the monthly dues (1 DM in terms of zlotys). As for origins, my mother was born in Berlin, and our deputy chairman (a physician) has German citizenship, while our treasurer (the owner of a currency exchange office located in the lobby of the Szczecin office of the Polish Tourist and Local Folklore Society), is a Pole. But, I repeat, we admit anybody who wants to join us."

Despite this explanation, many rumors are current concerning Heimat Bund. It is said that many of the city's influential personages have joined that association.

Unfortunately, it refuses to divulge their names on the ground that they did not give their consent. It is said that the chairman is exploiting his previous office. Others have noticed that the deputy chairman is from Vilnius. So where does his German citizenship come in?

"I do not know myself how it happened," said Jan Kielczewski sincerely. "My deputy chairman indeed was born in Vilnius, but at the same time he stressed his German citizenship and origin. For the time being I lack the courage to ask him for an explanation. But as for exploiting my official position, that is not true. We are looking for suitable premises. The central authorities of the Polish Tourist and Local Folklore Society are aware of my additional function but they have placed no obstacles to it. The society's new statute even contains certain features in common with the statute of Heimat Bund. For example, foreigners may belong to both."

Mr. Sitarski's association has scored additional successes. In addition to establishing contact with the Supreme Council of the Associations of German Population in Poland, headquartered in Katowice, it arranged in Germany for the provision of courses of specialized language instruction. Of course, passing appropriate preliminary examinations is a requirement, but the first person to take these courses has already departed for the West.

"By end of last year we reached a membership of more than 1,300 in eight local branches," boasted Robert Sitarski. "Three branches operate in Szczecin and one each in Gryfice, Trzebiatow, Stargard, Wolin, and Kamien Pomorski. At the same time, new branches are being set up in Swinoujscie, Nowogard, Choszczno, and Lobza!"

But the German Consulate in Szczecin is distancing itself from this.

"I took office only last 3 October," said the amtierender Leiter (which may be translated as the acting director) of the Consulate, Julius Georg Luy. "After a while I received an unofficial report to the effect that 44 German families were living in the city. I am also aware of the associations directed by Misters Sitarski and Kielczewski. Our consulate is ready to consider providing assistance to anyone who offers a specific and realistic program. Of course, on condition that it meshes with the objectives of the cultural policy of the Bundesrepublik government."

Heimat Bund has not so far presented any proposals. The activists from Dargobadz requested books and periodicals. The consulate decided that German periodicals should be made available to anyone interested, with eventual aid to be provided directly to...the Voivodship Library. In such a situation, as the saying goes, a third party was bound to appear!

"Every association has the right to claim that it is the most important," Consul Luy answered diplomatically when I asked his opinion about the mutual hostility

between the existing cultural-national associations. Actually we are now considering the latest request for financial assistance submitted by...a Mr. Slowinski of Die Deutsche Kulturgessellschaft [German Cultural Society] and concerning a specific proposal for rebuilding the remains of an old German windmill."

Ryszard Slowinski explained, "Those other organizations only focus on doing business. I and my friends did not like that, and that is why we established our own Society for Protecting German Culture in Western Pomerania."

His group, about which only the consulate seems to know, seems to be the most arcane one. Even its appellation is problematic, because some of its members refer to it as the Society of the German Minority.

"Ours is an informal association," added Mr. Slowinski. "We are not registered and we pose no requirements as to ethnic origin. We exist as of quite recently."

The association is desirous of protecting relics of German culture and art against destruction. But why did it begin with a windmill?

The new year brought some other interesting news. Mr. Sitarski's talks with Deutsche Bank were not crowned with success. Moreover, the disturbing news spread through Szczecin that somewhere in the hinterlands was formed...the Association of Pomeranian Landsmen!

ROMANIA

Socialist Labor Party's Views on Transylvania

91P20273A Bucharest *SOCIALISTUL* in Romanian
Jan 91 p 4

[Article by Dumitru Balaet: "The Problem of Problems—Transylvania"]

[Excerpts] Among the many problems facing the young Romanian democracy today, economic, political, moral, scientific, and cultural, none is more acute, pressing and complex than the Transylvanian problem. It not only includes all the others but it also surpasses them in importance, affecting the very being of the Romanian people, its dignity today, and the sovereignty and integrity of the country. After the December revolution, in the general euphoria very many people ignored the Transylvanian issue, although serious signals of alarm had appeared much earlier (see I. Lancrajan, *Cuvint despre Transilvania [A Word About Transylvania]*, (written in 1982). It took the bloody events in Tirgu Mures in March to make us see that, along with the support and humanitarian assistance which Romania received from abroad, there came Hungarian spies and weapons, an arsenal of propaganda, subversion and destabilization which was really frightening.

So-called Romanian intellectuals "leaning toward Europe," among others, signed an act of national

betrayal, the "Budapest Declaration" (June 1989) which stipulated the so-called "autonomy of Transylvania as an area of 'complementarity' with Hungary, Europe, etc." (see NATIUNEA, Year I, No. 25, p 7). Echoes of this irresponsible attitude toward the integrity of the national territory were also found in the so-called "Timisoara Proclamation," which was given so much attention in University Square before the May elections and, more recently, in the joint "statement" of political parties and groups meeting in Brasov. Such attitudes, which are not devoid of underground links with the bloody demonstrations of 13-15 June and with earlier outbreaks of violence—and which are harbingers of other misfortunes for us in the future—are all the more serious since they ignore the sad realities of Transylvania, the scores and hundreds of Romanians killed, beaten, and maimed by Hungarian chauvinists, the thousands of Romanian families driven out of their cities and villages, the monuments to national heroes which were desecrated, the Romanians schools which were closed, the churches which were burned, the economic sabotage, the psychological warfare launched against the largest number of Romanians (in Harghita, Covasna, and Mures), the cultivation of Hungarian ethnic isolationism, of unparalleled arrogance in the schools, in the trade sector, in the hospitals and in enterprises where positions of leadership and control were monopolized unscrupulously to the detriment of interethnic coexistence.

You, refined intellectuals "leaning towards Europe," who signed the "Budapest Declaration" and who are continuing the "work" of national destabilization, is this the "space of complementarity" and "autonomy of Transylvania"? No, gentlemen, a thousand times no! Any true Romanian intellectual who is allied with its people knows—and if he does not know it, he should learn it right away—that the abominable things which happened in Transylvania are the expression of outbreaks of the historic hatred and violence practiced for more than 1,000 years by the Hungarian extremists (the counts and their successors) against the majority Romanian population in this hearth of the Romanian country. The most recent roots of these savage incidents can be found in the hated Diktat of Vienna, resulting in hundreds of thousands of Romanian victims who were martyred in this part of the country occupied by the Horthyites. The conditions for returning this part of Transylvania to the mother country were of unparalleled cruelty for us. They were dictated by Stalin who had crucified a part of the Romanian territory. [passage omitted]

In the December Revolution, Hungarian chauvinism, which was well hidden under the mask of kowtows and kind words to the dictatorship, was just waiting for a favorable moment to burst forth. In a brutal and barbarous manner, this reemergence took advantage of the social turmoil created by the Revolution and the well-known good will and forbearance of the Romanian people. But, deep down under this extraordinary good will and forbearance, we are happy to discover that the

Romanian people are still vigilant. The birth of "Vatra Romaneasca"—out of pain and torture—as a social organization intended to defend the right to life and order of Romanians in Transylvania is proof of this. The "Vatra Romaneasca" Union (word illegible) the Hungarian nationalists and their acolytes by the defensive and humanitarian way in which it has enclosed itself in an iron shell. In vain they call it by the infamous epithet of fascist organization, in vain they put black swastikas on its posters, in vain they put death crosses on the doors of the houses of its representatives. From the discussions which I had with some of these representatives, I was shocked to learn that they are fully aware of the dangers facing them and that they accept them. With the agreement of their families and the Romanian communities which they represent, they have put on the bloody garment of Christ. This is what is upsetting those people who want to suppress the Romanians in Transylvania, those people who do not hesitate to use blackmail, destabilization tactics, and crime. But something else bothers them: the political power of the Romanian people, which was proven by the 20 May elections. Despite the insults addressed to them, they felt that, at these decisive moments for their fate in the world, unity of will and action was most necessary. This is why the people gave political power to a single party from among the 100 existing parties. The elected president of the country, the Parliament, and the government must take up their mission and carry out, within the limits of their mandate, the people's desire for unity and cohesion. The key to this desire for cohesion is the problem of Transylvania: in particular, the threats addressed against it. All the political forces in the country should take a clear, unitary and militant position in regard to this issue. Any delay or compromise in this regard constitutes, in the final analysis, an act of national betrayal and should be recognized as such.

In the center of this policy there should be the firm promotion—by all means—in Transylvania of the natural, peaceful coexistence of the Romanian people with its historic guests, the population of Hungarian origin, acknowledging for the latter—on the basis of reciprocity—all the rights which are enjoyed in other democratic countries, in interethnic situations. To achieve this common objective of both the Romanians and the Hungarians, it is necessary to effectively combat all tendencies toward ethnic isolationism in schools, facilities, medical institutions, trade units, enterprises, sports fields, etc. Everything which has been constructed by and is being used for society belongs to the entire country, and all citizens should have respect and honor for the locality in which they live. On a daily basis, our democratic state should monitor the application of laws on peaceful coexistence. All those who are guilty of violating these laws must be fought against and isolated. Persons who are guilty of crimes, beatings, destruction of material goods in enterprises and institutions, in villages and cities, should be identified, tried and sentenced. It is absolutely necessary that all the Romanians driven out of Harghita and Covasna counties be given back their

rights and that measures be taken to stop the psychological warfare being carried on against the Romanians in these counties. Special attention should be given to mixed Romanian-Hungarian families, who, under conditions of the exacerbation of chauvinist passion, are experiencing estrangements of husbands and wives, parents and children, and close relatives. We should find the best solutions to achieve our fundamental desire, the desire of all: coexistence, mutual understanding, in the service of which we should also put the resources of an applied sociology which is objective, realistic, and scientifically suitable for everyone. It is absolutely necessary to create and promote an active internal and external information system, to promptly and effectively combat the arsenal of subversion put in motion by Hungarian chauvinists throughout the world in regard to the sociopolitical realities in Romania and, in particular, in Transylvania.

An ostrich-like policy toward these issues is an erroneous, condemnable and bankrupt policy.

Domokos Responds to Charges of Failure

Open Letter to Geza Domokos

91BA0344A Budapest NEPSZABADSAG in Hungarian
12 Feb 91 p 6

[Letter by Dr. Eva Maria Barki: "Is The Spirit of Temesvar Being Preserved? My Concern Has Changed to Fear"—first paragraph is NEPSZABADSAG introduction]

[Text] It was in mid-January when our editorial office received the letter from attorney Dr. Eva Maria Barki, head of the International Transylvania Committee, addressed to Geza Domokos, president of the Democratic Association of Magyars in Romania [RMDSZ], under the title "Transylvanian Magyars Are in Danger!" The writer, who gained distinction in representing abroad the rights of Magyars in Romania, blames Domokos and other RMDSZ leaders for the present situation. Now that we have received from our Bucharest correspondent Peter Mag the reply of Geza Domokos, the number-one person involved, we are publishing the two pieces together. We do this in the hope that this is not just a battle of arguments to be won by one or the other party, but rather is the common cause of those who are fighting for Transylvanian Magyars and Romanian democracy.

Dear Mr. Domokos:

The year 1990 has been a decisive year in the history of Europe. The collapse of postwar regimes clears the way for a restructuring that was already in the making, changing the profile of our entire continent. The thunderous breakthrough leading to a new and free Europe was accomplished by courageous people who were ready to campaign and fight for freedom and self-determination, and by politicians who understood that the decisive hour had arrived.

We still have a long way to go. But pluralistic democracy, based on the freedom and dignity of the individual and on the self-determination of all peoples, i.e., the outline of a vision of Europe united in its regional multifacetedness, is slowly emerging.

Those who took the right path will reach their goal despite initial problems; however, those who did not have the courage to do so will be trampled by history.

It is a fear that Gorbachev's words, "he who is late will be punished by life," will become a bitter reality in Transylvania. It seems that the spark of Temesvar is burning out. The drive for self-determination that is gaining strength throughout Europe is circumventing the Magyars. The hope in a European solution is also a deceiving dream; for the right of self-determination must be demanded, wanted, and won, otherwise not even international law will be able or willing to help. The normative force of the facts is still as valid as ever.

This is why it is a grave mistake that you, Mr. Domokos, ignore all rightful demands of Transylvanian Magyars and all other ethnic groups in Transylvania. It is self-deception when Secretary General Geza Szocs expresses his infinite optimism to the Council of Europe, and it is simply dumbfounding when Dr. Ferenc Barany speaks of Romanian democracy.

You, Mr. Domokos, as RMDSZ President, carry the responsibility for the politics and fate of 2.5 million Magyars. At the same time, as president of Romania's largest opposition party, you are responsible for determining, in every decision concerning Romania, whether democracy exists in that country and if it does, what its possibilities are, if any.

The events of last year indicate that you did not live up to these two requirements. Romania's antinationality policy, which is accompanied by an unprecedented media campaign to work up a hostile attitude against the Magyars, has never before been as strong as today; the Magyars' prospects for the future continue to cause concern. You have achieved that. The Western media have not dealt with the problems of the Magyars since the Marosvasarhely pogrom. Your statements have created the impression on the international level that the situation of the Magyar ethnic group has become satisfactory and, consequently, Romania's minority policy has been taken off the agenda of international forums.

You are well aware that the lot of the Magyars could only be improved by international pressure. Despite this, while other endangered ethnic groups maintain their own lobbying organizations in the West, to date you have not presented a single appeal at the Conference on Security and Cooperation in Europe, the Council of Europe, or the United Nations; indeed, in the aftermath of the tragic Marosvasarhely events, you refused to give your signature to a letter sent to CSCE's ministers of foreign affairs. Instead, on 22 March 1990 you signed, in the name of the RMDSZ, a shameful statement issued jointly with the Romanian Liberal Party, in which not a

single word was written about the desperate Magyar people, only loyalty to Romania and the relinquishment of rights were mentioned. This fits the picture that you made clear with your 29 August 1990 action in parliament.

As president of the largest opposition movement, you lost your credibility through your silence about the 13 June 1990 Bucharest events, while at the same time, you have significantly diminished the role of the Magyars in the process of democratization in Romania. The role you played in connection with President Iliescu's trip to Paris was unacceptable.

It can be justifiably stated that, as the representative of Romania's largest opposition and Europe's largest and most endangered national minority, you assumed the role of President Iliescu's squire.

I have been watching these developments for months with the greatest anxiety.

At our 14 October 1990 meeting in Vienna, you stated, among other things, that the situation of the Magyars has vastly improved; the danger of assimilation does not exist (!) and, besides, there is no difference at all (!) between Transylvania and Wallachia. Bishop Laszlo Tokes can blame himself for the criticism he receives. Elod Kincses' statements to the press were detrimental.

My anxiety became fear, which made me write this letter.

The Magyar people of Transylvania have been in a state of extreme peril since Trianon. They are now confronted by the decision either to accept the concept of the Romanian nation state and thus subject themselves in the long run to assimilation, to take the example of the Germans of Transylvania, or to begin fighting for their survival, which can be successful only if, in addition to gaining individual rights of freedom, they can also gain the most fundamental collective rights for their entire ethnic group. These include the right of self-identification and self-demarcation, the right of self-government, and the right of self-organization and self-determination, all of which mean the free choice of political status.

The rights of the Magyar people are no less than those of any other people of the international community, even more so because they became a minority not on any given historical basis but as the result of the changes in national borders. The Magyar people, too, should have the right of self-determination. This means that, within Transylvania's all-encompassing, historically developed, ethnic and cultural structures, a special constitutional regulation for Transylvania is unavoidable. The requirements of the special structure of the region's every ethnic group as well as their political and cultural self-determination can, and must be fulfilled.

The policy that you represent advocates the implementation of a unified Romanian nation state.

Last year's confusion and lack of concept lead the Magyars to a dead-end street which will be increasingly difficult to come out of. It would necessitate politicians who take the region's destiny into their hands with a statesman's broad outlook, with responsible leadership and unselfish service, with courage and self-confidence, and with a proper balance between compromise and commitment, and above all, who are qualified to internationally initiate a proper solution to the problem.

This challenge would be a pan-European challenge at the same time. Transylvania's solution could become a model for several other regions. Many a time throughout its history, Transylvania was ahead of Europe with its bold legislation. The centuries-old tradition of coexistence and tolerance obligates us even today. It could be put into the service of the 'Europe of the regions.'

My wish and request for the new year is that if you have the Magyar people's welfare at heart, please consider the consequences, and don't endanger Transylvania's future and the situation of the Magyars through your policy.

Reply to Dr. Eva Maria Barki

91CH0344B Budapest NEPSZABADSAG in Hungarian
12 Feb 91 p 6

[Letter by Geza Domokos: "We Either Go Together or We Will Get Nowhere"]

[Text] Dear Madam:

I received your open letter in which you strongly reprimand both the Democratic Association of Magyars in Romania [RMDSZ] and me personally, and then honor me by offering advice regarding the RMDSZ's future policy and my fate. Allow me to begin with a brief interjection. You mention the media campaign to work up a hostile attitude against Magyars, so you must be aware that Romanian chauvinists accuse us of nationalism and of trying to break up the country, of trying to play Transylvania into Hungary's hands. Not to mention that they consider the RMDSZ an antidemocratic and extremist organization which must urgently be banned and its "terrorist" leaders, including me who, as you say, betrayed the Magyars in Romania, must be expelled from the country. No matter how unfounded the accusations are, they do serve one purpose. They prove again that one is on the right track if one's enemies attack with lies and slander. It is a sign of our times that what is too much for one, is too little for another. And, for still others, you for instance, it is nothing.

I know that the RMDSZ as well as its leaders can be criticized, and that our mistakes cannot simply be explained away with human fallibility. It is my conviction that we are basically doing the right thing when we profess that the rights of Magyars in Romania can only be gained together with Romanian democracy, in alliance with the democratic forces. Politics is also a science of realities, and this is why we always begin with the fact that the two million Magyars live beside almost six

million Romanians and that our struggle for guarding the rights and interests of Magyars in Romania has no prospects without peaceful coexistence with them.

You could say that these are old illusions that have been proven detrimental, and there would be some truth in it. To be sure, these principles have a conceptual and practical value only if Romanians and Romanian democracy also identify with them. If they know—and if we also know, of course—that it is either together or not at all. We either go forward together or we will get nowhere.

We must mutually know and respect each other's interests and feelings. In this regard, with your permission, I have a comment. I read in your letter that "The Magyar people, too, (if I am not mistaken, this means Magyars in Transylvania. G.D.) should have the right of self-determination. This means that, within Transylvania's all-encompassing, historically developed ethnic and cultural structures, a special constitutional regulation for Transylvania is unavoidable."

This is a thought-provoking concept. But I ask, does it have the slightest chance without consulting the Romanians of Transylvania?

You state that the situation can be improved exclusively by international pressure. I think it can only be improved by the dynamics of the balance of power here at home. Of course, who could deny the significance of the Paris Charter which strongly supports the national minorities in Romania in their efforts to preserve their democratic and national identity? Who could question the inspirational and probing role of those European political, economic, and cultural structures of which Romania wants to become a part? And, finally, who is not awaiting with hope this year's forum in Geneva which may build new foundations for the individual and collective rights of the continent's national and ethnic minorities, including their present situation and future prospects? One may not—must not—lose sight of the contradictions originating from the real circumstances, the recalcitrance originating from historical experience, or the mentality of the majority nationality, i.e., the strength of tolerance and the democratic institutions.

What we can learn here in this region, in East Europe, from the often tragic clashes between the ethnic groups is that there is no alternative to dialogue, mutual goodwill, and the evolutionary process based on European law. Well, there is one: It is confrontation, destruction, and hatred, for today and for an unforeseeably long time to come. In an awareness of historical responsibility, the RMDSZ rejects this road.

I believe that you misunderstand the RMDSZ's leaders, whose standpoints you so decisively denounce. Yes indeed, we do recognize Romanian democracy and its indecisive steps that are not entirely free of totalitarianism or its future dangers. We do not overestimate the virtues and accomplishments of our organization. We will continue our fight, which is based on principles, is

unfaltering despite defeats, and is built on reason and discipline, but we do not believe that we can reach our goals through spectacular decisions that ignore reality.

Presently, time is not working for us, but it is in the long run. The unfolding of democracy is unavoidable in the East European countries, including Romania. We are not building on it but we are working with this awareness. Unrealistic immediacy cannot be our bread as long as we want to act in the interest, and not at the expense of Magyars in Romania. I understand your outrage but I cannot agree with your attacks and arguments. And my explanation for your grave accusations against me is that you, Madam, are unfamiliar with my principles and practical views which I publicly stated at RMDSZ meetings and which were published in the press and aired on radio and television. This is proven by every concrete statement and reference of yours. I cannot respond to all of them, but let me present two examples. You write that it is shameful that "...you signed, in the name of the RMDSZ, a shameful statement issued jointly with the Romanian Liberal Party, in which not a single word was written about the desperate Magyar people." You either have not read the incriminatory text (it was written on 22 March 1990 when we were at the brink of civil war) or are consciously ignoring what followed: "In our opinion, respect for cultural personality means that the use of the native language in education is justified (this will be sanctioned by the education law that is to be enacted in accordance with Romania's new constitution) and that the right of national minorities to maintain their own educational and religious institutions is guaranteed. The decentralization of public administration, which includes the concurrent use of the native language, is one of the important means of restructuring Romania in the liberal spirit. Our common history must be rewritten in the spirit of truth, eliminating all distortions caused by the totalitarian system both in Romania and Hungary."

You reprimand me with anger that, according to you, I lost my credibility through my silence in connection with the 13 June 1990 Bucharest events, and thus, I significantly diminished the role of the Magyars in the process of democratization in Romania. You are mistaken, dear Eva Maria Barki! The RMDSZ, which is faithful to its policy of opposition, was the first to condemn the unlawful acts of 13-15 June, especially the atrocities committed by the miners, and those who allowed these things to happen. The statement was written by me and was read by me in the Romanian House of Representatives after my parliamentary group's consent.

In closing, I will be ready for an open exchange of opinions, one that is free from daydreaming and, indeed, unjust accusations, one that is based on realistic arguments and good intentions, as soon as you become better informed. A trip to Romania or Transylvania could help you in this, and I hereby extend my invitation to you.

Spirited Defense of Writers' Union President

91BA0378A Bucharest ROMANIA LITERARA
in Romanian 28 Feb 91 p 3

[Article by Stefan Tcaciuc: "The Most Acursed Among Earthlings"]

[Text] Mircea Dinescu is undoubtedly the most loved and most cursed contemporary Romanian writer.

He is loved by those who believe in the originality and beauty of his poetry, who are familiar with the courage with which he confronted the regime that went down the tubes—hopefully forever!—and the dignity with which he endured the insults of the potentates of the "golden era," who saw him on television on 22 December 1989 when, choked up by emotion, he announced to all Romania the triumph of good over evil. He is mortally hated by those who feel guilty, who whispered not one word in defense of our unfortunate Romanian people, who sat at the table with the "lie" and stuffed their faces on all kinds of delicacies, while grieving mothers were desperately running from store to store and could not find even the proverbial soybean salami to allay the hunger of shivering babies tortured by hunger and cold.

After the December Revolution Mircea Dinescu could have secured an important position in this country, as he fully deserved, but out of professional solidarity he was content with the vulnerable post of chairman of the Writers' Union. In other words, he stuck his neck in the yoke freely and was not forced by anyone...

In the meantime, other writers, cleverer and trickier, quickly jumped from the fire into the frying pan or the other way round, to make sure that they were up in the first row when the alms were passed around, well placed to grab a juicy bone to chew on...

Then came the Writers' National Conference which was attended by writers elected according to statute.

The crushing majority of writers voted for Mircea Dinescu and thus, having won most of the ballots, he became president of the Writers' Union.

We must note that the ballot was secret and each writer had a right to express his choice. If most writers opted for Mircea Dinescu, that meant that the Romanian writers, regardless of nationality, believed in him and in his capability to resolve their complaints and those of their guild.

And indeed, Mircea Dinescu rolled up his sleeves and got down to work, intending not to move the Carpathians to Asia and put the Himalayas in their place, but to do something positive and useful not so much for the writers, as for Romanian literature after all it had to endure in the past half a century. Many people think that now problems are solved fairly easily in our country and that it suffices to clap one's hands to get everything on a platter like in fairy tales. Having had enough first-hand experience along this line, I tend to believe that some

things, even the most elementary, are now even more difficult to resolve than under the "loathsome" man and the "sinister" woman for reasons and causes that even the most enlightened minds cannot fathom...

Nevertheless, at the head of our literary guild Mircea Dinescu in a fairly short time solved many thorny problems that had been pending for years. We must first mention and even stress that thanks to Mircea Dinescu's endeavors (including his hand-waving and head-scratching, that some cannot stomach) the Writers' Union gained possession of the Vernescu House and two other buildings, obtained state-of-the-art printing equipment from Germany, and founded a myriad of literary magazines that permit many writers to earn a livelihood, etc., etc.

I am neither defending Mircea Dinescu nor do I want to present him as a paragon or an infallible writer. Like the rest of us, he has his strong points and his weak points. Nevertheless, even standing there with his hands deep in his pockets, Mircea Dinescu has the charm to soften the stoniest hearts, the gift of straightening even the most convoluted minds, and the ambition to see through all the problems that concern him and give him no peace. And, what is most important at such murky and slippery times as these, one can rely on people like Mircea Dinescu.

I personally met Mircea Dinescu sometime in the 1980's. I was not and am not his confidant, nor are we bosom friends. Nonetheless, I appreciate him as a great poet and I love him for his original and unmistakable style; he is capable of spending years to build an edifice only to tear it down on a whim, because Mircea Dinescu was the enfant terrible of Romanian poetry and remained the grown-up terrible of Romanian society. I often ask myself a natural enough question: Do we have many Dinescu's in Romania? The answer comes to me promptly, never takes long to appear: "Few! Even very few, unfortunately!"

If we had more like him, many things would work better in this country that is trying so hard to find itself again. And it will find itself!

It amuses me no end to read in one magazine or another that Mircea Dinescu was an agent of the KGB, the CIA, the Mosad, the English and the Hungarians, the Germans and the Dutch, the Danes and the Italians, and so forth. That means that our poet is so brilliant that with a mere wave of the hand or a head-scratch he can check-mate the aces of all espionage services in the world.... How did Dinescu's talent escape the attention of the former "green-eyed monks" from the "Secu" [Securitate] monastery? Is it possible that we have such a thing in our country and do not use it properly? That is a real ghoulish national tragedy....

I want to cite only one example—edifying enough for those who do nothing but either find fault with everything or look for blemishes in others, although they themselves are one huge blemish—to show the place that

Mircea Dinescu occupies in people's hearts and minds: After his famous letter was read on Radio Free Europe (its contents are more than familiar) and was heard by Romanians with bated breath, I, a CFR [Romanian Railways] engineer, was approached by a few honest men (most of them simple folk, so-called "signalman Paun") [literary hero], who had passed the hat and got together some money which they discretely asked me to send to Mircea Dinescu.... A small token of help from them for the civic courage he had shown!

I told Mircea Dinescu several times what it was all about, but each time he smiled bitterly and, gesticulating in his original way, invariably answered: "I'm glad that the poor railway men think of me, but I can't accept the coins they took from their children's food allowance. They are just as miserable beggars as I am..." And he did not take the money! He did not take it at a time when the great Romanian writer and midget-president of the Writers' Union, D. R. Popescu, fired Dinescu from ROMANIA LITERARA and left his wife and his two small children to starve in the street....

This is Dinescu, and these are the people who, through all kinds of pretty insipid ruses, are nailing him to the pillory, where by rights they should be chained for many years to pray and do penance to have their sins forgiven....

What is unfortunate is that sometimes fairly talented pens are also plied to run down Dinescu....

As is well known, outspoken people are thorns in the sides of those who think the world of themselves, although in reality they are not worth a plugged penny.... This cruel truth is well known to Mircea Dinescu, too.

Still, what saddened me most was not that all sorts of improvised scribes piled curses on Dinescu, but the fact that with diabolic ostentation they insist on calling him "the Gypsy...." So what if he were a Gypsy? Don't Gypsies have a right to live? Is being a Gypsy a national shame? Is it something unbearable and unforgivable? Are the Gypsies not people?

I am a Ukrainian. And I am not shedding this quality because I know that theoretically a person chooses everything except two things: his parents and his place of birth. However, from very many viewpoints I am much more of a Romanian than some of the "Romanians" who beat their chests with good reason or without and keep playing on the nationalism chord that real Romanians do not need. This kind of tune (or better said, tasteless caterwauling) only gives real Romanians a headache....

Mircea Dinescu does not need to be defended; even less so by a Ukrainian who at any point may get into the sights of those who are forever stalking and hunting.... What they hunt is not that important! Hunt, brothers, hunt as long as you can, before you become hunted by better hunters of a higher quality... Because, as the saying goes, everyone is bound to find his match some day!

Mircea Dinescu is defended by his poetry and the good he did at the time when "Death was reading the paper" and the troubadours of the "golden era" were day and night serenading the party to live the sweet life.

And how sweet it was!

The people who today sling mud at Mircea Dinescu are the same people who yesterday, like in the myth of Sisyphus, were huffing and puffing to the accompaniment of all the drums and trumpets, guitars and balalaikas, cellos and trombones to push the rock of chauvinism up to the peak of the "golden era" but who, in the end, crashed anonymously into the abyss of oblivion. Today, other incorrigible toadies have jumped to their assistance, and together they are elbowing their way to hoist the scarecrow-boulder to its allegedly fitting place, where everyone would be scared of it, like children of the bogey man...

But they are grievously mistaken...

The Romanians are on the alert and the only thing they bring to light is truth, the cornerstone of their multimillenary existence.

Financial Guards To Fight Corruption

91BA0289A Bucharest LIBERTATEA in Romanian
7-8 Feb 91 pp 1-2

[Interview with Marin Toma by Dan Constantin; place and date not given: "The Financial Guard"—first paragraph is LIBERTATEA introduction]

[Text] Mr. Marin Toma, 48, is director general of the Finance Ministry and in charge of the State Directorate for Financial Control. Originally from Gorj, he became "naturalized" in Bucharest after graduating from the Academy of Economic Studies. He has been employed in the financial control bureaucracy since 1986. His current task is to coordinate the "genesis" of a Financial Guard, an institution that has been awaited with hope by the public and with apprehension but you know who.

[Constantin] Mr. Marin Toma, what does the Financial Guard hope to become?

[Toma] A body of state financial control organized like an extra-garrison military unit within the Finance Ministry. This Financial Guard is not a new institution to Romania. It was active between 1933-48 and it now exists in many European countries.

[Constantin] What do you mean by being organized like a military unit?

[Toma] I think that the simile is clear enough. Financial Guard employees will wear uniforms, carry arms, and will be allowed to use their weapons according to legal regulations. Other characteristics that we hope to impart to the Guard are discipline, resolve, initiative, and great correctness.

[Constantin] Traits that are increasingly difficult to find in one and the same person....

[Toma] That is why the selection will be tough. We already have a lot of candidates. In the first place we lean toward cadres with experience in the area of financial control but endowed with physical qualities, too.

[Constantin] Will the Guard become a unit of financial gladiators?

[Toma] Let's not exaggerate. Nevertheless, the Guard employees will have to cut an imposing figure.

[Constantin] According to some views, the establishment of the Guard will curtail the duties of the Economic Police, or the two institutions will overlap.

[Toma] No. Each institution has its own well delineated "turf." The main duties of the Financial Guard will be to implement and carry out fiscal laws with a view to preempting any income tax evasion or evasion of any other taxes, as well as enforcing commercial norms and preventing profiteering, smuggling, and any unlawful procedures.

[Constantin] Some entrepreneurs view any control as an obstacle to their work that in the final analysis makes the product more expensive.

[Toma] Of course, if the idea is to corrupt the controller, then the cost will end up being borne by the buyer, not the entrepreneur. But what we want to do is precisely to enforce the law and uproot the dishonest practices that have emerged and are rapidly proliferating, especially in the trade area. But not just that...

In addition, the purpose of the Guard is not only to oversee private entrepreneurs, but all economic factors whatever the form of ownership. That means state and cooperative enterprises, too, which in view of their number, make a large contribution to the state budget.

[Constantin] What are the rights of the Financial Guard bodies?

[Toma] Let's look at a few examples: [the Guard will] inspect facilities and premises where goods are manufactured, stored, or marketed and conduct activities that are taxed; verify the existence and correctness of shipment documents; confiscate, according to the law, items, products, or material evidence on which income or other taxes were not paid or whose manufacture or sale is forbidden; seize irregular documents that may serve to prove uncovered fraud or contraventions.

[Constantin] How will the Financial Guard be organized?

[Toma] The Financial Guard is planned to work at the central level as an independent entity through a Finance Ministry command; throughout the country Guard sections will operate as branches of the county directorates of state financial bureaus.

The primary objective of these actions is to preempt and combat fiscal, customs, price fraud and contraventions, and any illegal procedures in the areas of trade, tourism, and services.

[Constantin] How will companies be protected against abusive inspections or petty forgery on the part of the Guard?

[Toma] From the start we will try to ensure democratic financial control in a market economy and a state of law. Various measures have been envisaged to spare annoyances to the economic factors inspected, such as limiting the number of inspections, setting maximum limits on the duration of "on site" inspections, and ensuring the right of those inspected to secure expert assistance of their choice such as CPA's or licensed accountants. Moreover, appeals will be settled outside the Financial Guard system.

[Constantin] When will the Financial Guard actually go into action?

[Toma] Within 30 days after Parliament has passed the bill on the organization and operation of financial control and of the Financial Guard. We are waiting for that legislative measure, which is designed to ensure smooth unfolding of the processes of privatization, price liberalization, and other reforms.

YUGOSLAVIA

Power Struggle in Serbian Opstinas Noted

91BA0389A Zagreb DANAS in Serbo-Croatian
26 Feb 91 pp 28-29

[Article by Milan Becejic: "Suspect"—first paragraph is DANAS introduction]

[Text] Punitive expeditions are persecuting the objectionable and the maladjusted throughout Serbian opstinas, and thus testify to the character of the newly elected government.

Less than three months after the elections, the Serbian opposition has neither forgotten nor forgiven Slobodan Milosevic, who, in one of his preelection speeches, called all his political opponents lunatics. To the minds of many who are not accustomed to democratic life, these nonsympathizers still figure as enemies. It appears that the more zealous "therapists" of the Socialist Party have found a way to give material shape to the qualifications of their leaders and to "neutralize" their political opponents. The latest issue of SRPSKA REC discloses plans by Nis socialists to liquidate the biggest opponents and critics of SPS [Socialist Party of Serbia] policy: "The main method, besides trumped-up court trials, is to 'care for' people at the local mental hospital in Gornja Toponica." Who can contend today that it is a coincidence that one of the assistants to the new "minister for the

nation," actor Bata Zivojinovic (instead of Mihalj Kertes), is psychiatrist Jovan Strikovic, also a deputy of the Socialist Party?!

Naturally, juicy stories like these could also be regarded as efforts at revenge sought by a resigned and nervous opposition. However, the whole matter becomes much more serious when another type of revenge is localized on the postelection geopolitical map of Serbia, revenge that is much more dramatic and strange since it originates with the victorious party, the SPS. What happened was that unknown persons went around to offices in which Smederevo opposition parties are headquartered, whereby the booty was compromising material that was difficult to lay at the door of the Socialist Party due to the numerous irregularities in this opstina during the election. This action by ruffians of discriminating taste is in fact a component of the campaign being conducted by Smederevo socialists against influential nonsympathizers of that city.

Old Battles and Scandals

Dragoslav Simic, the chairman of the Smederevo SPS, after the announcement of his rotation to "lower levels," moved against the president of the opstina, Radoica Jovic, and several other people from the political leadership who during the elections were candidates for other parties or citizens groups. Their fate was decided behind closed party doors, and access to journalists was not possible. The charges fabricated against them on this occasion are absurd from the point of view of current Serbian economic policy, as well as that part of them that concerns Smederevo and its famous unprincipled giant, the Metalurski Kombinat. Jovic and his associates were labelled criminals for having an excessively unwieldy administration and a corrupt opstina government, for not carrying out the restructuring of ownership in the economy, for not attracting foreign capital, for selling off property to foreigners...! For the time being, the SPS persecutors will have to get used to closed hunting season, because the opstina delegates have rejected all their charges, perhaps bearing in mind their roles in the fact that 15,000 Smederevo workers are receiving minimum pay or are on compulsory vacation, while one-third of all those employed did not receive their December paychecks.

Also under attack is the president of Aleksinac Opstina, Zivko Nikolic. Members of the Delegate Section of the Opstina Assembly, who are also socialists, have launched an initiative for his dismissal. The greatest of Nikolic's sins that can be proven is that he is not a member of the SPS and that he was the candidate of a citizens' group in the elections. In order for the purge to be more convincing, Nikolic is "charged" with not having secured business premises for delegates to the National Assembly of Serbia from that opstina, as well as not having cooperated with them. It is interesting that the office problem has not been resolved for deputies of opposition parties to the National Assembly either, and according to

Aleksinac logic, one could thus call for the resignation of the president of the republican assembly!

Postelection acts of political retribution throughout opstinas in Serbia do not have a primarily interparty quality to them. NOVO VREME has revived old battles in the conquest of opstina power as the legacy of the "antibureaucratic revolution." Fights such as these have been picked by former communists, now members of the SPS, in Blace Opstina, near Prokuplje. The tub-thumping pattern of two years ago, according to which "Tweedledee stepped down to be replaced by Tweedledum," now indicates that not a single step has been taken away from the old Bolshevik ways. The new ones are no different from their predecessors, but not for reasons of principle, but rather "ideological" ones, which are reflected in the personal struggles between the pretenders to power. Thus, Milija Peric, the president of the opstina, was expelled from the SPS for lack of party discipline, and he found out about that decision literally on the streets. The reason discovered for this was the fact that Peric campaigned for deputies before a citizens' group in the elections, and the fact that he openly criticized the undemocratic manner in which the elections were held in that opstina. The figure behind all of this is Milenko Antic, the current chairman of the opstina's branch of the SPS, who believes that his political nonsympathizer has become alienated from the new political climate and that the remnants of Stalinism must be surrendered to the past. Hence the announcement by BORBA that "by expelling these people, the new Party has earned esteem among the people." Very original, new, and democratic! The fact that the "offenders" were given neither a hearing nor notice was explained in simple terms: "It is correct that they were not first given a hearing, but this was not necessary. Blace is a small town, and unless we are mistaken, everyone knows everyone here," Antic said in NOVOSTI, filling in the gaps in his democratic principles.

A fierce struggle for opstina power has also been rocking Grocka, near Belgrade, in recent days. There, the rivals are the president of the opstina and the president of the executive council. A slight advantage is enjoyed by the latter, Dusan Bokalovic, because he is also a deputy to the National Assembly. Although both men are members of the SPS, Dusan Bokalovic and Slobodan Marjanovic obviously do not drink water from the same party fountain. In the Serbian socialists big nominating game, Marjanovic had to give up his place to Mihalj Kertes in the Kaludjerica electoral district. This biggest squatter settlement in the Balkans, primarily "emigrants" from Kosovo, was bestowed on Kertes as a base, even though the "greatest Serb among the Hungarians" has never even set foot there. That this political rebuff under the patronage of the new party was a blow to Marjanovic is hinted at in part by the fact that Kertes was informed that he must personally go to Grocka to acknowledge his election as deputy. The result of these children's games was that Kertes' narrow mandate was not confirmed at the first session of the National Assembly. After all this,

Marjanovic was left with nothing more than consolidating control in his own backyard, which means displacing his right-hand man in the opstina government, deputy Dusan Bokalovic. The words of Belgrade mayor Milorad Unkovic, during a recent visit to Grocka, showed that this was not merely an innocuous local skirmish. Dissatisfied with the political situation, he declared that it is unacceptable for challenges to be sent to the republican government from the opstina, and behind the back of both the opstina and city governments at that.

The slowness with which memories fade when it comes to scandals was reaffirmed by what was revealed seven years ago over the Grocka weekend cottages, which to a great extent shook up the "father" of this region, but also of Serbia, Dusan Bokalovic. At the time, deputy Bokalovic was directly involved in the scandal, and its execution came from the Municipal Committee of the League of Communists headed at the time by Slobodan Milosevic. Only a small child could fail to see in that scandal a struggle for the new Serbian defender. It is not far from the truth to say that through his fall, Bokalovic concluded his job "in secret," only to be awarded a post as deputy now. Draza "lost" Serbia, but not Grocka, and for many the "gathering of green grapes" will continue.

Hungarians and Croats

Several hundred kilometers to the south, in Bor, people do not live off of fruit cultivation. There, serious politics are not the order of the day, but work and money-making are serious business. Because of this, one might expect that the material benefits of such work count for more. The showcase House of Culture was erected in the past with funds from the local voluntary tax of RTB [Belgrade Radio and Television] Bor. The user of part of the building used to be the OK [Opstina Committee] of the League of Communists, whereby this "legacy" was later inherited by the Socialist Party. Through an internal decision by the SPS, the building became the property of the new/old party over night. This rapid-fire plunder was not even blocked by a clause in the self-management agreement signed seven years ago between RTB Bor and the users of the building, prohibiting the building from becoming anyone's property, whereby the Law on Registration of Social Property was explicit in its provision to the effect that sociopolitical organizations may not become the owners of social property. But the name of the new owner, the SPS, is entered in the opstina land registry, which has enabled the socialists to legally rent out the space to whomever they want, and for money, naturally. This was soon followed by the eviction of the inventory and personnel of the House of Youth. It is difficult to believe that anything will change after the next installment of this dispute is played out before the District Court in Zajecar, because those who have taken power will not renounce the electoral trophies that can be easily cashed in.

Wherever administrative-legal tricks do not work, the method of direct application of fear is being used. Nis

has long withstood the political transformation initiated by the Eighth Session. Those who cannot be ideologically reeducated are now finding their living and working space curtailed with increasing aggressiveness. SRPSKA REC describes how surgeons are seizing upon the legitimate dean of the School of Medicine in Nis, Dusan Velojic, who is otherwise a member of the executive committee of the SPS, alleging that he is avoiding staff members at that institution and openly threatening those who are against the ruling party with the loss of their jobs. He is notifying members of other parties that they can leave the school, as well as Nis, immediately, since "this is a red city."

From all these examples, it is clear that the socialist housecleaning effort is the greatest in opstinas where SPS candidates captured deputy posts. In the mildest interpretation of Bolshevik practice, it would be said that as victors, they can allow themselves this.

However, this arrogance is also becoming a characteristic trait of political life in areas where the socialists lost the electoral race. Under such circumstances, all that is done is to adapt to local conditions and to change the style of the purges. The latest example is Subotica. In this multiethnic community, interethnic dissension is being pursued without scruples, whereby two influential parties—the Democratic Community of Vojvodina Hungarians [DZVM] and the Democratic Alliance of Croats in Vojvodina [DSHV]—are being discredited through adroit manipulation. The "appeal for peace" that the DSHV addressed to the Croatian Assembly and to the democratic public is equated with Ustasha ideology, while the DZVM, on the same occasion, was characterized as Horthyist. The DSHV appeal states that they support the democratically elected, legitimate government in Croatia and the right to independently formulate relations in the republic, noting the following: "We support having the army defend the external borders of the country and within those borders having the democratically elected leadership of the republics and provinces reach agreements on the future. We call for peaceful resolution of all disputes and for all parties to support peaceful coexistence." What was it that the Subotica branch of the SPS saw in this that was so destructive to prompt it to issue its own statement (interrupting the regular programming of Subotica Radio): "Our members are now justified in harboring suspicions even about the best intentions of the leaders of the local opposition parties—the DZVM and DSHV"? A clue that this is a matter of impure intentions is provided by the fact that the attack was directed at the DZVM as well, which did not issue any statement whatsoever on this occasion, nor did it even lend its support to anyone! The best assessment of this uncivilized and primitive political act was provided by Subotica mayor Jozef Kasa. "Unsubstantiated charges cannot be brought against citizens, because the Croats in this area are not Ustashis and the Hungarians are not fascists. It serves no purpose to politicize the situation for the sake of justifying partisan goals or failures." The

horror is that everyone can engender a small-town mentality for years, given definition by political and ideological exclusiveness, obedience, and toadiness. The Subotica SPS camp apparently needs a proving ground for its faithfulness to the head office and rehabilitation for its electoral failure. In these shady dealings, they are also not afraid of the taint of nationalism, which is in fact officially "prohibited" in the socialists' founding articles. For the sake of its political integrity and principles, the executive committee of the SPS should deal a vehement blow to its branch in the northern Backa for violating the principles of its platform—and not only that.

It is difficult to expect such a thing from the socialist leaders of Serbia if it is also possible for them to cook up such a peppery stew for the opposition when it has been proclaimed neither to blame nor liable for adding spice to the latest strike by the workers of Rakovica. Does the Serbian leadership actually believe that it was possible and necessary for the Serbian Renewal Movement to "instigate" the workers in a situation where their Serbian state is depriving them of 60 to 70 percent of their income, where they are forced to go on compulsory vacation, where small change is doled out to them like beggars...?! This is no longer political, but rather (in)human insolence.

Such behavior only heralds the synchronized work of the center and base of the Socialist Party. It is obvious that everything is being done to provide as good a foundation as possible for the new/old party in the opstina elections. Although opstina elections have been scheduled for the spring, it is increasingly clear that they will not take place before the fall. The political chaos and struggle for dominance in the opstinas indicate that the main SPS headquarters feels that the ground has not been adequately cultivated and prepared for complete political domination. In all of this, the least important consideration is that the economy is in a miserable or deteriorating state, because the leadership of enterprises in the opstinas is more committed to political differentiations and the struggle for their own skins than to any economic transformation of their collectives. It is no longer easy to determine whether it is this policy that is causing the death or suicide of the Serbian state and nation. The saddest thing about it is that its grave-diggers are now deciding about a new life—Yugoslavia's.

Concern About HDZ Link to Christian Democrats
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[Article by Marinko Culic, including interviews with Dr. Ivan Cesar, HKDS [Croatian Christian Democratic Party] chairman, and Miljenko Zagar, HDZ [Croatian Democratic Community] secretary; place and date not given: "Whose HDZ Is It?: HDZ Attempt To Become Christian Democratic Party Is Inevitably Reminiscent of Creation of New Socialist Alliance"]

[Text] The HDZ [Croatian Democratic Community] will become a Christian Democratic party! This thunderous announcement emphasized in the headline to an interview given last week to VJESNIK by HDZ secretary Miljenko Zagar was simply destined to touch on the nerve center of the "young democracy" here. Because if the ruling party, which by its own admission is more of a movement uniting various—even opposing—political orientations, has now decided to go one step further and absorb, like a sponge, yet another alternative from the Croatian political menu, then the inevitable impression that one gets is that some sort of new Socialist Alliance is being created. And from there, the association is immediately taken further, based on the well-known model of a party that uses others only as transmission belts in a unified, centrally controlled engine.

It was precisely to this that the existing party of Christian Democrats (the Croatian Christian Democratic Party [HKDS]) reacted immediately, by immediately interpreting this "pan-Croatian" ambition of the HDZ as a direct threat and an attempt to eliminate it from the political scene. In their initial reaction, the Christian Democrats contend that the HDZ is in this way destroying the foundation of Croatian political pluralism, even though it is precisely the ruling party that bears the greatest responsibility for it, and they warn that the HDZ took a running start in this direction back in preelection days. That was the occurrence of the first incident between the two parties, when Tudjman announced that the Christian Democrats had left the Coalition and joined the Croatian Bloc, even though only Stjepan Herceg's wing had done so. In the meantime, Herceg left the HKDS and founded the Democratic Christian Party. The second incident occurred at the end of last year and was only a slightly modified repetition of the first one. On that occasion, Tudjman, who had since become the Croatian president, announced that the Christian Democrats had joined the HDZ, but then, too, it was only Herceg and his party that had done so, for which he immediately got the post of vice chairman of his new party and became one of the president's advisors.

This unexpected promotion of Herceg in particular will hereafter provide sustenance for hungry behind-the-scenes partisans engaging in all sorts of conjecture concerning what is behind all of this; among other things there is speculation to the effect that Herceg traded in the Christian Democratic name of his party for this high position in order to make it easier for the HDZ to "absorb" the other, more numerous Christian Democratic party, the HKDS. This impression was confirmed to a certain extent during a later visit to Zagreb by a delegation from the European Union of Christian Democrats (EUCD) when the HDZ, presenting itself to the guests with a new, Christian Democratic legitimacy, literally "stole" the European delegation and held a large number of meetings with it, reportedly including secret ones, while the HKDS and others were left with crumbs.

According to Evangelical Principles

What was it that the Croatian party had to discuss with the Europeans that was so important that the guests apparently could barely catch their breath between the numerous meetings to which their very interested host took them? It is easy to figure out from Zagar's statement to DANAS that the Croatian delegation was mostly interested in using its new Christian Democratic wardrobe in order to facilitate ties with Europe through the new like-minded Europeans. Add to that one of Cesar's observations, and it appears that the EUCD was especially interesting as a go-between because it is well-disposed towards the concept of "separation," which has lately begun to prevail in this Republic and which the Assembly recently enacted officially. However, word has it that the guests from the EUCD had considerable difficulty grasping what kind of party the HDZ is and whether it is a party at all or instead some sort of pan-national movement such as Poland's Solidarity, for example. The problem is made all the more difficult by the fact that, as Drazen Budisa observes in NOVI LIST, there is another party in Croatia with similar populist references (Savka [Dabcevic-Kucar]'s HNS [Croatian People's Party]). Thus, it is possible that it was precisely during the talks with the European guests that the scales were tipped in favor of the position that the HDZ should orient itself towards the traditions of Christian Democratic parties in Europe, while the HNS was probably relegated to the class of nationalist parties. However, nowhere in the HDZ's platform is there any basis for a new Christian Democratic orientation, since there is not, for example, any call for "doing away with restrictions on religious freedoms" or a call for "recognizing national holidays such as Christmas and All-Souls' Day." These have indeed been called for by a majority of other parties, including even the former LCC [League of Communists of Croatia].

It is also easy to foresee further complications resulting from a possible Christian Democratic reorientation of the HDZ in terms of the new concentration of diverse ideological and political alternatives, in which, for the first time in this area, both the left wing and Christianity can be found. Behind the scenes, however, the view is that this association would be very short-lived, because the Christian component would perhaps be added only to force out the left wing or to appreciably marginalize it. Some see proof of this in the very person of Miljenko Zagar, a former priest (admittedly, with a progressive reputation), who, as Cesar contends, is too much inclined to apply his theological knowledge to politics. The chairman of the HKDS, who not that long ago was taken amiss for his condescending attitude towards the Croatian president when Tudjman "lined up" and "interrogated" representatives of the Croatian opposition, appears now to have no intention of giving up without a fight. He has announced that he will even resign his post as chairman in order to oppose Zagar's encroachment according to "evangelical principles" on which the ruling party is allegedly to be governed. Evangelical messages are rightly conveyed by the church,

not by politics, says Cesar, although naturally it is a known fact that it is possible to interchange these roles, even if there are no explicit examples of this in the Croatian past. Specifically, Christian parties have no tradition in this area, while those parties that today want to represent themselves as such (Radic's HSS [Croatian Peasants Party]) have had too much of a liberal orientation, and in church-state relations have adopted somewhat anticlerical positions (peppered with a few "caustic" statements by Radic at the expense of the clergy).

In this regard, the situation in Croatia differs substantially, because in the first multiparty elections the Christian parties in Croatia were for all purposes abysmal failures, while in Slovenia Peterle's Christian Democrats became part of the ruling coalition, and their popularity has clearly been growing over the past few weeks. Does the church in Croatia now want as well to take advantage of its unquestionable electoral services to the HDZ and, for the first time, become more directly involved in the articulation of political life through one major Croatian party, even though one can count on the fingers of one hand the leaders of that party who are considered fervent believers (Mrsic, Golem, Domljan...)? There are still no visible signs that this will happen; indeed, there is still recollection of articles in church publications opposed to the founding of a Catholic party, and one such appeal to the Chapter was even officially rejected. But there are some indications of a desire to help the HDZ, both in the elections and today, in developing the image of a Christian orientation—something, moreover, that Zagar confirms in VJESNIK—and in this sense to exert discrete pressure on Cesar to be more flexible and less demanding towards the ruling party.

Americanization of Croatia

Cesar clearly has his own reasons for being angry about this. If sympathy towards him is meted out more stingily than towards the ruling party, then he can always pull out the platforms of both parties and easily show that the HKDS is based on "Christian convictions and human responsibility towards God," while there is not a single word about this in the HDZ "papers." But no matter how much the HKDS points out to the church that its holy objects (Stepinac) are in no sense compatible with AVNOJ [Anti-Fascist Council of People's Liberation of Yugoslavia]-ZAVNOH [Anti-Fascist Council of People's Liberation of Croatia] and other "crypto-communist" holy objects of the ruling party, this antagonism remains stifled by the ashes of other, currently more important interests. The church probably hopes that precisely a greater orientation by the ruling party towards Christianity could help effect a rapid casting off of this "Bolshevik" ballast, and that this will have a favorable effect on the country's very inclusion in a "democratic Europe," on which the church, too, is setting its sights.

It remains to be seen whether this nearly verified involvement between the church and the new government will yield some sort of "Christianization" for Croatia lacking a precedence in the past. Even now,

however, it can be said that any transformation of the HDZ into a mastodon party of a wide variety of political views and alternatives will contribute more to the "Americanization" than to the "Europeanization" of Croatia. Because, as Budisa observes, the idea of reducing the Croatian political scene to two or three parties, which even Tudjman has spoken out in favor of on one occasion, would make sense only if Croatia declared itself the 54th state of the United States, where such a party system exists. If it wants to be part of Europe, however, then it must have all the parties, or a majority of them, that exist there. In contrast, attempts to "Europeanize" Croatia can only be associated with Europe, but it could remain just as far away as it is now.

[Box, p 24]

Ivan Cesar: "Attack on Pluralism"

Asked for comments on Zagar's interview in VJESNIK, HKDS chairman Dr. Ivan Cesar, like the HDZ secretary, starts with the headline to the interview.

[Cesar] This headline ("HDZ Becomes Christian Democratic Party") is interesting in a number of ways. So far, I have realized that the HDZ is not a party and that some day it will want to become a party. I did not realize, however, that it would do so by appropriating the name of our party, which has established itself on the political stage of Croatia under that name and has been universally recognized. I regard this as a direct attack on pluralism and democracy in Croatia; indeed, I regard it as an attack by that party that is responsible for such things, all the more so because it is most committed to defending this pluralism and democracy.

[Culic] Do you have information indicating that this "move" is in accordance with the official position of the church?

[Cesar] I do not have such information, but it is telling that the HDZ secretary cites the "various forms of cooperation, official and unofficial, with religious representatives" as an argument for the Christian Democratic transformation of that party.

[Culic] Could this be only Zagar's interpretation? Previously, Stjepan Herceg too, upon founding the Democratic Christian Party, cited support by certain church circles, placing them among the Jesuits.

[Cesar] Correct, and now that we have two such cases, one must wonder what this is really all about and whether Zagar's idea—which he presents as his personal idea, but one from which no one has disassociated himself—truly reflects the official position of the ruling party and, even worse, the position of the church. I say that this is even worse because for me it is not that questionable when politicians attempt to draw the church into their affairs, but it is very questionable when the church attempts to achieve its goals by using political means.

[Culic] Do you intend to do anything to defend the party's name?

[Cesar] If we had a rule-of-law state, we would not actually have to do anything. Because the Ministry of Justice would simply reject the request that the HDZ be registered as a Christian Democratic party—if such a request were received, of course. On the other hand, if the HDZ wants to gain recognition through foreign countries—Mr. Zagar explicitly mentions ties with the CDU [German Christian Democratic Union] and the CSU [German Christian Social Union]—then I must say that we established these ties first; indeed, we “counted on” them, because we define ourselves as a transnational party, which the HDZ is not. We were the first, back when the borders along the Drina were being discussed, to speak up about the need for a peaceful separation, which for us is the European concept for the resolution of the Yugoslav question. When I presented our declaration to the CDU a year ago, they examined this contribution of ours with particular interest.

[Culic] After the numerous conflicts that your party, and you personally, have had with the HDZ, one gets the impression that this would not be a problem if you were a little more “obedient.”

[Cesar] If that is so, then it reminds me of the “famous” thought by Jakov Blazevic to the effect that the late cardinal and future saint, Alojzije Stepinac, would not have been condemned if he had been more flexible. I do not like such words in the least.

[Box, p 25]

Miljenko Zagar: “I Was Misinterpreted”

We found HDZ secretary Miljenko Zagar with a letter just received from Cakovac in which the local branch of the HKDS sharply protests his interview in VJESNIK. Zagar showed us the letter and immediately commented on the “incident,” saying that he is not to blame.

[Zagar] The article in VJESNIK was published under the headline “HDZ Becomes Christian Democratic Party,” about which I was not consulted, and in contrast to what I spoke about in the interview. The only thing discussed in the interview was the HDZ's move towards the basic values of European culture and civilization, and Christianity has an undeniable place in that, but nowhere do I mention the turnaround in party policy suggested by that headline.

[Culic] Nevertheless, in the interview you put forward the hope that the HDZ will become a member of or at least an observer in the European Christian Democratic Union.

[Zagar] This must be viewed within the context of the Croatian goal to become a member of the unified Europe, to which we are now trying to make a more perceptible contribution through activities within the framework of the Croatian Democratic Community.

Thus, Croatia is simply returning to the position that it used to have in Europe, but this is monumental work which also demands ties with kindred European parties, and not only popular parties, but also parties with a Christian orientation.

[Culic] Aren't all the more extended international ties being created by numerous Croatian representatives, and especially President Tudjman, adequate for establishing this contact with Europe?

[Zagar] That does not include efforts to be made within the HDZ. Throughout the world, parties in power have a special responsibility in implementing the policy that they have adopted. In this context, our aforementioned ties with kindred parties abroad is completely ordinary.

[Culic] Let us get back to the interview for a minute. You said that you were putting forward your personal position in it. Does that mean that this was not discussed by the HDZ executive committee?

[Zagar] The executive committee did not discuss it, and in fact it is not possible to give any official significance to what I said. But I also see no reason not to understand this idea of mine as a small contribution to the ongoing development and enrichment of the party's program goals, because they are not written in stone, but rather conform themselves to the conditions under which we live.

[Culic] But you will acknowledge that the HDZ is in this way extending the range of ideas that it advocates beyond conventional limits. Up to now, this party has identified itself as the successor to all positive political traditions in the Croatian area, including the left wing. How do you reconcile Christianity, which does not have a tradition of political organization here, with this?

[Zagar] It is true that there is no tradition of this in Croatia, but this fact must be explained by a Croatian peculiarity, especially between the two wars, whereby a large number of parties did not get started here; rather, Croatian political existence was entirely, or almost entirely, represented by the Croatian Peasants Party. Today, this situation has been repeated to a certain extent with the HDZ, which also encompasses a broad range of political orientations, from the left wing to the right wing, in which case we also get a body of ideas that is to some extent formulated through exposure to Christian ideas. Thus, the HDZ carries on in the tradition of a political organization in which there is no strict separation between political activity on a national basis and on a religious basis.

[Culic] There is speculation behind the scenes that the HDZ is “Christianizing” in order to ward off criticism, both externally and internally, to the effect that it is “rebolshevizing” itself.

[Zagar] I am familiar with these notions, but I do not agree with those who view the situation as such. They are directed at a certain number of our leaders and members

who were members of the former ruling party, although no one has the right to condemn anyone who subscribed to ideas that were—at least in certain aspects—progressive. Moreover, one must give a positive assessment to the ability of people to change within the framework of their conscience and new circumstances. When we talk about Christianity, then it is within the context of its tradition, because the church itself was created in such a way that “converts” could join it.

Izetbegovic's Comments on Federation Issue Scored

91BA0382A Zagreb DANAS in Serbo-Croatian
26 Feb 91 pp 14-15

[Article by Senad Avdic: “Acrobat on a Thin Wire”—first paragraph is DANAS introduction]

[Text] Is Alija Izetbegovic's balancing act on the perilous trapeze that is still known as Yugoslavia in fact the beginning of the end of his political career?

Addressing the citizens of Sarajevo on Saturday, the most powerful opposition deputy to the Bosnia-Herzegovina Parliament, academician Muhamed Filipovic, announced that “Bosnia went to sleep last night in sorrow.” Sometime later, academician Filipovic was to clarify that he personally did not “go to sleep in sorrow” because he did not sleep at all, due to the several hundred phone calls in which Muslims of Bosnia-Herzegovina asked him personally, “Has Alija sold us out?” It is obvious that part of this story can be attributed to the inexhaustible imagination of academician Filipovic, but one thing is certain: Alija Izetbegovic, the president of the Presidency of Bosnia-Herzegovina and the chairman of the Party of Democratic Action, through his press conference held right after the Sarajevo session of the Yugoslav “historic meetings,” alarmed the Bosnia-Herzegovina public, to put it mildly. The size of the group of citizens that gathered on Friday evening outside the building where Izetbegovic lives has yet to be corroborated, but it is clear that his home telephone was ringing off the hook that evening as well. It is also uncertain whether Izetbegovic, after the press conference and after having presented his news to the public, went to the YUTEL studio to clarify his statement at his own initiative, but it is clear that he had to reassure the members of his own party in particular.

What did Izetbegovic say at the press conference, and what provoked the nervous reaction by the Bosnia-Herzegovina public? Izetbegovic was the first of the participants in the “historic meeting” held in Sarajevo to hurry off and brief journalists on the results of the six-hour summit of the top-ranking sons of all the Yugoslav nations. While (for example) Milosevic's personal security detachment which arrived in Sarajevo in considerable force simply threw out those inquisitive journalists who were so impudent and naive as to attempt to beg the Leader for a statement, and the others rushed to the airplanes parked at the Sarajevo airport,

Izetbegovic went before the somewhat irritated journalists to say that Yugoslavia essentially no longer exists, and that it has become a so-called three-level federation. Izetbegovic described this political bastard as follows. In the future country Croatia and Slovenia will be independent, the core of the country will comprise Serbia and Montenegro, while Macedonia and Bosnia-Herzegovina will have a status within the federation of four republics that is somewhat more substantial than that of regular sympathizers. In other words, Bosnia-Herzegovina would not be as closely linked to Serbia as Montenegro would be, but it would be much more closely linked to Serbia than to Croatia or Slovenia. Once he had slept on everything that he said, he announced at a new press conference that Bosnia-Herzegovina wants to realize a position of “equidistance,” which contributed to further confusion, especially among the legal “gathering” before the aforementioned building. When something is inadequately clear, people tend to simplify it and lay it bare in the way reflected in the question “Has our Alija sold us out to Milosevic?”

Only two months have passed since Alija Izetbegovic was elected president of the Presidency of Bosnia-Herzegovina, and in those 60 days he has faced enough questions to easily fill a complete political biography under normal conditions. Very few, if any of them are questions that should concern the president of a state; rather, they mostly have to do with the fact that Izetbegovic has forced himself into the role of the Yugoslav conscience. It is difficult to say whether what Milovan Djilas said recently on a grandstand in Sarajevo is true, when he examined the problem of Yugoslavia in terms of the major tasks that individual leading figures have given themselves (Milosevic to renew or install a Greater Serbia, Tudjman to restore Croatian statehood after several centuries, and now Izetbegovic to save Yugoslavia), but it has been touching over the past few weeks to look at the energy expended by Izetbegovic on the “preservation of Yugoslavia,” only to return after all these adventures with the words that he is “today even less optimistic that he was before the talks.”

It is still questionable whether Tudjman and Milosevic gave Izetbegovic their sanction to concern himself with their mutual cooperation, but this “mission” earned Izetbegovic sympathy from the so-called Yugoslav-oriented population of Yugoslavia. In contrast, to those citizens of Bosnia-Herzegovina who maintain that one should first reestablish normal conditions in Bosnia-Herzegovina before talking about Yugoslavia, Izetbegovic's flirting with Yugoslavia represents a postponement of problems in his own republic.

Thus, the question now is “all Serbs in one state” or “all republics in one state”? Consequently, it stands to reason that the variant of the so-called “four-plus-two” federation (although what we are really talking about here is a “six-minus-two” Yugoslavia) has resulted from two considerable sacrifices. Milosevic has (for the time being) sacrificed Serbs in Croatia, while Tudjman has “invested” the Croats in Bosnia-Herzegovina. It is

obvious that this is a short-winded calculation, because the question of the day is when the Croats in western Herzegovina (where, however, only 15 percent of the total Croatian population of Bosnia-Herzegovina lives) will abandon Izetbegovic's "equidistance" and join the mother republic.

Is Alija Izetbegovic's balancing act on the perilous trapeze that is still known as Yugoslavia—a balancing act that is no doubt being pursued sincerely and with the best of intentions—in fact the beginning of the end of his political career? It is difficult to say right now, and the only thing on the basis of which it is possible to shed light on this question is the sporadic but very agitated reaction by the people who elected Izetbegovic president of Bosnia-Herzegovina, meaning the Muslims of Bosnia-Herzegovina. Nevertheless, Izetbegovic continues to be the person who carries considerable weight among the Muslim population, if for no other reason because he "mustered up courage" a year ago and founded the Party of Democratic Action, which only a few months later was to experience a genuine triumph in the multiparty elections in Bosnia-Herzegovina. Having achieved that, it is difficult for Izetbegovic, in the perception of the "average Muslim," to be anything other than one more in a series of fellow countrymen who have paid with their own skin for all the dubious approaches to that nation that the communist regime, and not only in Bosnia-Herzegovina, has pursued over the past half a century. As the leader of the party, Izetbegovic has demonstrated a significant degree of political wisdom, but also organizational nerve. First of all, by including the most famous Muslim dissident and probably the richest living Muslim, Adilo Zulfikarpasic, in the leadership of the party, he gave an extremely serious element to the rather lackluster leadership structure which chiefly comprises Izetbegovic's friends from prison. Afterwards, Izetbegovic also recruited the "most sensible Muslim," the aforementioned Muhamed Filipovic, into the party, only to round out his corps of cadre towards the end of last summer by coopting the "most popular Muslim," the grand magus Fikret Abdic of Velika Kladusa. Naturally, the ideological core of the party remained the same, but the inclusion of people who base their authority on diverse foundations created an impression of "breadth" and accessibility to diverse ideas and thoughts. The putsch within the party attempted by Filipovic and Zulfikarpasic came too late to do any essential harm to the authority and political esteem enjoyed by the Party of Democratic Action among the Muslim population, but there is no doubt that Izetbegovic was very attentive in examining and considering the message addressed to him and the party by the two renegades. People whose actions motivated Zulfikarpasic and Filipovic to rebel have been moved to the sidelines, which relates first and foremost to the alleged "KOS [Counterintelligence Service] spy," Salim Sabic, and the "exponent of militant Islam," Omer Behmen, and the party is increasingly gaining a bourgeois-liberal image.

During the most intense part of the preelection campaign, as well as in interviews, Izetbegovic continually

reiterated that he has "no political ambitions whatsoever" and that he had not considered running for any political office, only to "consent" immediately before the election to being included on his party's list for the Presidency of Bosnia-Herzegovina. The election results secured a seat on the Presidency of Bosnia-Herzegovina for Izetbegovic since he came in second in the number of votes, far behind Fikret Abdic, but ahead of Nijaz Durakovic, to whom preelection polls gave the greatest lead. It took several weeks to figure out which of the two representatives of the Party of Democratic Action would be elected president, since the coalition agreement between the victorious (national) parties awarded the post to that party. Several statements by Fikret Abdic to the effect that he is the moral winner of the election even presaged his election as president of Bosnia-Herzegovina. However, his ties with Agrokomerc and Izetbegovic's obvious skill and persistence in the role of first-among-equals put this number-two man in office. In recent days, the word from circles close to the Party of Democratic Action is that relations between Abdic and Izetbegovic are at the lowest point to date, a situation that escalated with regard to the selection of the Republic's minister for internal affairs: Abdic opposed renewing the mandate of the current top policeman, Muhamed Besic, on which Izetbegovic insisted, instead choosing for this post successful businessman Alija Delimustafic, the owner of the CENEX commercial chain. The question of what would happen if the conflict in relations between Abdic and Izetbegovic were to gain a more concrete form and public character is a significant one, because Abdic's authority and esteem have yet to be damaged in the least.

In any event, things will generally not be easy for Alija Izetbegovic in the coming times, neither as chairman of the Party of Democratic Action nor as the top man in the Bosnia-Herzegovina state leadership.

Even though it seemed that the "coalition of principle" between the three victorious national parties in the Bosnia-Herzegovina elections guarantees peaceful times in the Republic, there quickly proved to be enormous differences between them—and this in terms of several fundamental questions. One thinks first and foremost of the disagreements between the Party of Democratic Action and the Serbian Democratic Party, which in individual parts of Bosnia-Herzegovina is already acquiring a dramatic character.

On the other hand, Izetbegovic has thus far enjoyed the almost undivided support of the Croatian Democratic Community (about to the extent that the Croats of Bosnia-Herzegovina supported Nijaz Durakovic all the way up to the 14th Congress of the LCY [League of Communists of Yugoslavia] and his being shown the "open door"), but it is quite certain that the current situation will not last after the recent events. Because it is obvious that based on the most recent events critical questions will be raised about what has thus far been deemed the "statesman-like wisdom and level-headedness" of Alija Izetbegovic. This is why many

citizens of Bosnia-Herzegovina "went to sleep in sorrow" last Friday. And many also woke up with the feeling that this is not the Bosnia-Herzegovina of yesterday....

Fascist Ideology of Croatian Law Party

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[Article by Marinko Culic, including his interviews with Dobroslav Paraga, president of the Croatian Law Party, and Zeljko Olujic, Croatian public prosecutor; place and date not given: "Who Is Calling for Ustashism?"]

[Text] In the demonstrations against enactment of the Croatian Constitution, which were banned but held nevertheless, the Croatian Law Party [HSP] used a megaphone to announce for the first time to its followers—which are not many but are excitable—that its goal is "a march toward freedom and the Independent State of Croatia"; the other day it decided to incorporate this slogan from the streets into its party documents. In the first general convention of the HSP, which followed a purge of the wing of the party accused of "following the lead" of the party in power, "which is creating a third Yugoslavia," that megaphone shout has been sublimated into the fundamental principles of the party, which state from the very outset that the "act of establishing the NDH [Independent State of Croatia]" resumed the interrupted "millennial will of the Croatian people to create its state."

In addition to the programmatic goals which had been set forth previously, and they included creation of a Croatian state over the "entire historical and ethnic area" (on the basis of which the party was regularly registered with the competent ministry on 27 February 1990), this first affirmative mention of 10 April in the program of an officially recognized party is the greatest challenge so far to the new Croatian judiciary, which the preamble of the republic constitution nevertheless obliges to protect an altogether different system of values from the one that was embodied on that date. All that was left was for the convention of the HSP to declare itself in favor of achieving that goal by force—which after a vitriolic debate did not in the end pass—and the HSP would practically have turned itself over to the competent court, which then would simply have to intervene and place Paraga's rightists outside the law, even if for some reason it did not wish to do that. This way, the legal period of 15 days remains in which the HSP must notify the Ministry of Jurisprudence that it has departed from the programmatic principles which were the basis of its registration, and then there will be a test of the second threshold of the tolerance of the new Croatian jurisprudence. Is it possible, that is, to tolerate advocacy of the NDH even if the intention is not to arrive at it through the use of force, but through the permitted struggle within and outside Parliament? Or does this fall in the category of mutual contradictions,

something like "wooden iron," so that it is better to avert it ahead of time than to wait to see whether in the end it sinks or floats?

A Vacillating Prosecutor's Office

In the Republic public prosecutor's office, they make no secret that the question of what to do has given them considerable problems. First we met with the explanation that the HSP's position toward the NDH is rather in the competence of the Ministry of Jurisprudence, which issued the registration to the party, so that it is the only body that can rescind it. Only in answer to the direct question of whether the prosecutor's office itself is also competent for possible institution of criminal proceedings, in which it might seek penalties against the Ustasoid "firstborn" without waiting for a signal from that ministry, from the police, or from anyone else, were we given an affirmative answer. In the prosecutor's office they are obviously reluctant to think about once again punishing the verbal crime because the new government solemnly swore that in the legacy of the former regime this was one of the first things it would take care of. On the other hand, the republic Criminal Law has recently been equipped with newly packed legal remedies against insults to the dignity of the Republic, its symbols, and indeed even the leaders themselves, and this immediately evokes a comparison with the HSP's lament for NDH-ism. Who will be to blame if it soon turns out that it is more punishable to curse the president of the Republic, which after all affects the peace of only one person, than to offend the antifascist sentiments of thousands of people? What is more, the caution of the prosecutor's office about seeming to be overzealous in punishing crimes in which there is no direct use of force was relativized just the other day by its action on its own initiative against the unknown offenders in the case of the film about Spegalj. Perhaps in this case zeal might be justified by the extraordinary circumstances, i.e., by the threat to the vital interests of the republic's sovereignty. But who can prove that the threat to sovereignty from outside is always unfailingly more dangerous than a threat from within, however much in the latter case one is dealing with an oath of allegiance to the most sacred goals of the Croatian national interest?

It is easy to see from these few comparisons that reassembly of the ideological and spiritual legacy of the NDH is only partially a matter of dry legal regulation because behind this a number of questions are raised as to the political evaluation of an idea which has come back from several decades of oblivion at precisely this moment, which is certainly no accident. After all, it is relatively easy to agree on the method of legal treatment of a retrograde political option, even though the Croatian judicial system is at present doing more mumbling about this than taking a clear position. It is much more sensitive because that option is arising in the context of those same issues—the attitude toward Yugoslavia and toward the Serbs in Croatia—which 50 years ago set in motion the mechanism for interethnic annihilation, and now today has revived—not with the same

intensity, but still with comparable reference points. It should not be forgotten that the question of the "real" historical position of the NDH was raised for the first time in the convention of another Croatian party, the one which in the meantime has become the party in power, and then on several later occasions it corrected its position on "expression of historical aspirations" and thus treated itself for the illusion that it could deal with this issue effortlessly, with an offhand assertion. But in the meantime the "most Croatian" party has now come to have, along with the opposition from the left, which at that time it accused of party activity with "dangerous intentions," opponents on the right as well, who today are charging it with being a "poltroon, puppet, lackey, and traitor" in its attitude toward Belgrade, to whom it has "given up Croatian state sovereignty and national independence."

And while it wrenched itself free of the former critics by defeating them in the election as conventional political opponents, it now has the much more difficult task of overcoming those whose ideas it once shared and who come from the same election camp, those from whom it is divided today by a thin, but sharp line of a political method, on which the voters will be taking a position in the coming election that certainly will be far more unpredictable than in the first case.

That is why a differentiation is now taking place among them around the principle of deepening and indeed even dramatizing on both sides the differences, and in all of this the right is portraying the ruling party as an insincere advocate of Yugoslavia's dissolution, while the latter is emphasizing the irresponsibility and recklessness of the right-wing parties, but at the same time is calmly, perhaps even with satisfaction, observing the competition among them as to radical methods. Until recently, the Croatian Constitutional Movement was foremost in its radicalism; it basically did not differ from the HSP, but one detail, who knows how accidental it was (rejection of registration because it emphasized "historical" and "ethnic" border), in practice made it the party of "desperate intentions" which was the first to go into the streets of Zagreb defiantly chanting "My grandmother was an Ustasha" and issuing the desperate demand that "guns be distributed." Later, when a segment of Hajduk's cheering section openly shouted that they belonged to the Ustashi and when the "Ustasha Youth" was formed in the same city, it was as though a signal light flashed on. It was only following that that Paraga's party made itself known in the Zagreb gathering already mentioned, when the demand was issued that "instead of entering a confederal Yugoslavia, the Croatian Assembly should proclaim the Independent State of Croatia," and then two months later this was included in the party's program in the general convention of the HSP.

The fundamental principles of the HSP, which now await an examination by the competent judicial authorities, reiterate the position taken from the party's previous program concerning a Croatian state in the "entire historical and ethnic area" (Backa, Banat, the Bay of

Kotor, Bosnia, Hercegovina, Sandzak, and Srem), and certain other political decisions which the NDH either strove for or partially carried out have been directly taken over. Thus, the demand is made for establishment of an "autocephalous Croatian Orthodox Church," as a model already tried for "resolving" the question of the Serbian nationality in a manner that will leave the Serbs only religious attributes, but take away their ethnic attributes. A possible reexamination of the HSP's "license to operate" will, however, probably look carefully at Article 6 of the principles, where the members of this party nevertheless oppose establishment of parties with violent programs, which, at least in formal terms, leaves them among parties which operate within the limits of the constitutional order. Will this be decisive even in dropping the idea of a possible ban on the work of the HSP, which in comparable cases (the refusal to register Seselj's Chetnik movement) has proven to be only a good way of proving that "the harder you press the spring, the further it jumps"?

While we wait for the outcome which is to be left to the judiciary, the impression still remains of an invasion of the radical right in Croatian political space, as a kind of test of the maturity of this region in which the battle against Nazi-fascist ideas has already been won once, so that it sounds anachronistic and retrograde for them to emerge once again. This test, which is to be taken by all of Croatia and all its political parties in particular, is nevertheless certainly most serious when it comes to the party in power. After all, the party which at one time was "the most Croatian," alongside which parties are now springing up with much tougher Croatism, must demonstrate responsibility for the internal threat to sovereignty which comes from the "Quisling" parties just as much as when it comes from outside Croatia. It will be bad if instead of that, it concludes that its more urgent business is to "back and fill" in order to protect its own interests as a party.

[Box, p 8]

Dobroslav Paraga: The NDH Represents Continuity

[Culic] What is the HSP's purpose in rehabilitating the Independent State of Croatia? was the first question put to its president, Dobroslav Paraga.

[Paraga] If you are to understand the resolutions of the first general convention of our party, you first have to accept the elements of the present situation in which Yugoslavia's dissolution is quite possible. Taking these elements as our point of departure, we set ourselves the task of affirming those achievements of the Croatian people which might best express its vital interests at this turning point. We came to the conclusion that that vital interest lay in preserving the continuity of Croatian constitutional law, and that both with respect to what has been undertaken in this regard within Croatia itself and also in the recognition of those aspirations by international factors. The Independent State of Croatia is a link in this which must not be discarded—it was

recognized, do not forget, by 25 states, although we, of course, distinguish between the active establishment of the NDH and everything that later occurred in it under the Ustasha government. By emphasizing the role of the NDH, we dealt a blow to the Bolshevik interpretation of that period of Croatian history, which was evident in the Partizan resolutions, and even today it is the official interpretation in Croatia, the cornerstone of Croatian statehood, and that amounts to an alteration of the historical facts.

[Culic] According to you, then, it was the Partizans, not the NDH, which betrayed the Croatian national cause?

[Paraga] The historical betrayal of the Partizans was that they did not join the struggle to conquer the fascists and Nazi power in the NDH, as they referred to it, but in order to destroy the Croatian state and subjugate it once again to the power of Belgrade. In that, they ultimately succeeded: By contrast with the Bulgarian, Albanian, and other Communists, they destroyed the Croatian state, whatever it might have been, and thus gained another four and a half decades of Serbian expansionist hegemony over it.

[Culic] One gets the impression from what you say that those Partizans were brought in from somewhere else to do what you talk about. However, we are talking about Croat Partizans, which means that the historical state of affairs, whether you like it or not, is that the Croats themselves destroyed the NDH.

[Paraga] Correct. The Croat Partizans also had a significant part to play in destroying the Croatian state, but that was not an authentic national movement, as some quasi-historians assert today (including President Tudjman). On the contrary, in that movement all of those who fought for the Croatian national cause were lost. They suffered at the hands of the same ones who simply proclaimed the Croatian state that had sprung up in the whirlwind of war to be a Quisling creation, although there is no doubt that it avoided the colonial game in which Berlin and Rome had tried to involve it (by contrast with Slovenia and Serbia).

[Culic] Are you not going even a step further than the convention of your party, in which it was nevertheless stated that the HSP does not identify itself with those things in the NDH which made it a fascist (Nazi) creation?

[Paraga] I have already said: The very active establishment of the NDH stands outside the domain of those attributes. At the moment of its creation it was neither Nazi nor fascist. Later, under the influence of extraordinary circumstances, things changed. The regime that was established was not, we hold, democratic, and it did make concessions to Berlin and Rome, although far short of what people would like to represent.

[Culic] You speak about the active establishment of the NDH as though this were some kind of legal enactment. It is a fact, however, that the way this happened was that

the Ustashi entered Zagreb in several trucks, which ought not to be any example whatsoever for your party, which exalts the principle of the law even in its name.

[Paraga] Establishment of the NDH is for us beyond any dispute. Nor do I see why we should see anything debatable here when even Cardinal Stepinac felt that he would have been a worthless and dishonorable person if on 10 April he had not accepted establishment of the independent Croatian state.

[Culic] You forget that later Stepinac said of Jasenovac and other similar "inventions" of the NDH that they were the most shameful slander of the name of Croatia.

[Paraga] That changes nothing in the assessment of the actual establishment of the independent Croatian state. What later happened in the NDH certainly deserves critical assessment. There were moves that had their justification, but there were acts which had no justification whatsoever, such as the statutes on race, the reprisals against the civilian population following the uprisings in certain parts of the NDH. But even that criticism must be objective.

[Culic] Has it occurred to you that rehabilitation of the NDH provides justification to those in the eastern part of Yugoslavia who treat Croatia as a state defeated in the war, and they are even demanding reparations?

[Paraga] There is no basis for that whatsoever, nor could there be any consequences whatsoever. The Germans were collectively punished for the regime which caused the war and conducted a disastrous policy at the expense of many peoples, but they rose up out of the ashes, united, and are now here where they are. Incidentally, Croatia has been so plundered since 1918 that it is out of place to mention reparations.

[Culic] What do you say to the fact that while you are talking like this about the NDH, the cult of antifascism in the world is not declining, but is even rising?

[Paraga] There is a problem here, although I repeat that we do not favor any reaffirmation of fascism.

[Box, p 9, top]

Zeljko Olujic: I Am Against Bans

[Culic] Has the prosecutor's office done anything since the convention of the HSP? we asked Zeljko Olujic, Croatia's public prosecutor.

[Olujic] No, because no criminal charge has reached me, nor any other initiative to institute proceedings. What is more, the proceedings in the case of legalized parties lie primarily in the jurisdiction of the ministry with which they are registered, and we react only in the case when a demand is submitted for a ban.

[Culic] Could not the prosecutor's office take certain steps on its own initiative?

[Olujic] As a rule, the initiative comes from local prosecutors' offices and the police, when they detect an event which they think falls outside the law, and the public prosecutor's office reacts only when it has an opportunity to examine such an event directly, which is a quite rare case.

[Culic] In the case of meetings like that of the HSP, does it take an outright call to destroy the system by force, or does the criminal area extend beyond that?

[Olujic] It extends beyond that in the direction of the supplements just enacted to the criminal law, which, however, are not the kind of elastic provisions that existed previously and that still exist in the federal criminal law, so that you can even punish a blind man, to be facetious, for crossing the street crookedly and accuse him of counterrevolutionary activity. Now it is precisely clear what is subject to prosecution and when the police and other authorities responsible for detection file charges.

[Culic] You mentioned cases when even the prosecutor's office could react independently. What criterion do you use in choosing such cases?

[Olujic] There is a considerable difference here from the old system, in which, for instance, there was a team of censors responsible for the press, which no longer exists in this prosecutor's office. Accordingly, we no longer have at our disposition the instruments which the former government installed, nor do we want them, but rather we want to facilitate full freedom of public expression and activity. For example, when it comes to journalists, they have a far greater freedom in their writing, but now there is also a greater risk from suits for compensation of damage, which will certainly be more frequent than before.

[Culic] In debatable meetings such as this one of the HSP, how important is the political assessment of what is said there? Is that also taken into account, or do prosecutor's offices stick strictly to the letter of the law?

[Olujic] The political situation in which you do something certainly should be taken into account, but it is up to the politicians to make the political assessments. Our

primary task is still the legal side, for example, the real state of legal power; the civilized world has not recorded a similar example of criminal prosecution of a legally elected minister, which is now the case in Croatia. As for political parties, another basic element, of course, is how much they help and how much they hurt the development of the recently established democratic power. This democracy is still brittle, and if it takes blows both from those on the left and those on the right, this could be harmful, and more than that it could be a provocation. And today it seems to be the intention of certain opposition leaders to destroy Croatian democracy.

[Culic] Is there anything punishable, for example, in the statement made in the HSP that the Croatian government has taken a "treasonous" stance toward Belgrade?

[Olujic] I am not aware of all those statements, but even now I can say that anyone on this soil who does not take the traditions of antifascism as his point of departure is nothing other than a political blind man.

[Culic] What do you think about prohibiting parties? In what case would you decide to seek that extreme measure?

[Olujic] In principle, I am against bans because I think they do not suit the democratic achievements to which we have committed ourselves. I would seek a ban only in a case of a party calling for violence, and if I had heard that in this case about which we are talking, I certainly would have requested it.

[Box, p 9, bottom]

Preamble

Exhaustively stating the foundation of the "thousand years of ethnic identity" of the Croatian people, the Constitution of Croatia states among other things that it lies in the "establishment of the foundations of state sovereignty during the period of World War II, expressed in opposition to the proclamation of the Independent State of Croatia (1941), in the decisions of the Croatian Regional Antifascist Council of National Liberation (1943), and then in the Constitution of the People's Republic of Croatia (1947) and later in the Constitution of the Socialist Republic of Croatia (1963-90)."

HUNGARY

Decline in Foreign Travel, Tourism Feared

91CH0324E Budapest NEPSZABADSAG in Hungarian
22 Jan 91 p 8

[Article by Zsuzsa Gal: "The Funeral of Tourism?"]

[Text] We have passports, and we are not asked for a visa in practically any European country; our freedom to travel is nearly complete. The question now is, what can we do with this freedom without money?

There are no longer any travel contingencies based on treaties between nations, but there are still no freely convertible national currencies in the eastern regions of Europe. The only currency that one can buy for forints is the Czechoslovak koruna. The Hungarian National Bank does not carry any other currencies from East Europe. There are rumors claiming that commercial banks will get the right to trade in those currencies, (they will be able to buy and sell rubles, levas, and zlotys at a rate set in accordance with their own best judgment), but it is not likely that they will buy any if they will not be able to sell them. If people from Kolozsvár-Cluj to Varna (referring to the dollar-based accountability), will demand Western currencies from Hungarian tourists, then the banks will hardly have any reason to live with this privilege.

The Fifty-Dollar Mouse

In the West, the situation has not changed. A Hungarian tourist, with \$50 in his pocket, is the mouse in the church of Europe. Of course, anyone with a generous uncle in the West can take off without any problem. One of our rights is that we no longer need notarized letters of invitation to do this. In addition, one has the right, or rather the license, to purchase dollars, marks, or schillings from street vendors, if one's decorum and sense of security allows. The transaction can be immediately legalized. An OTP [National Savings Bank] official certifies his money as a gift, and fills out the necessary papers. In other words, becoming a tourist in the West requires nothing more than forints and a certain unscrupulousness. There are many people who are in short supply of one or the other, and frequently both.

Conversely, there is no lack of organizations that make travel arrangements. It is a peculiarity of Hungarian conditions that by the time travel opportunities really shrink, because of impoverishment, there are genuine market conditions in the tourism industry, as revealed by the flood of advertisements. The number of registered travel bureaus is already around a thousand (and this, of course, does not include the pirates), and the newly formed small agencies are beginning to compete with the established large firms.

They Had the Ace

This competition could lower the prices. After all, the agencies that used to enjoy oligopoly could charge as

much as they wanted. They could do that because they had an ace: They had convertible currency. They could, and still can, retain half of the dollars that they earn from bringing tourists in, and they can use this to cover the cost of taking tourists abroad. Anyone who does not have an uncle living abroad or an expense account, pays forints for trips arranged by the agencies, and ignores the exchange rate at which those agencies account for his forints.

However, it is likely that this big business opportunity is heading toward a collapse. On the one hand, competition squeezes the agencies' profits down to the normal level, because a trip to the West is still too expensive for the citizenry that is burdened with taxes and price hikes, and that is facing inflation. (At the same time, can we become genuine citizens of Europe without actually experiencing Europe?)

Soon it will not make much difference whether or not the agencies can retain a portion of their dollar earnings. A currency market has been operating clandestinely for some time now with the collaboration of foreign trade companies, and its legalization is rumored to be nearing.

The above notwithstanding, it is fair to assume that Hungarians will continue to travel abroad, with or without money; those who have money, to the West (with or without the intervention of agencies), and those who have relatives, friends, or occasional acquaintances in the Carpatho-Ukrainian, Transylvanian, or Slovakian regions, to the East. Of course, this travel will be characterized by a certain mutuality. This, in turn, could project the image of an East European tourism based on black market practices and similar activities, if it were not for the fact that, just as it seems to be realizing in the trade of commodities, the compulsory reliance on each other will reconstruct our regional systems of relationships.

What is perhaps more worrisome is the number of visitors coming to Hungary. If living costs will be only slightly lower than in the West, then Lake Balaton will hardly be the Eden of German workers and pensioners. More likely, we will have to rely on visits by businessmen and visiting relatives. For a Hungary that has been proud of its statistics and income from tourism, the time of trial has arrived.

On the Road of Devaluation

An entirely new concept of tourism, including realistic views on a rational marketing of natural, cultural, gastronomical, folkloric, and other values, is needed in order for the country to remain on the map of global tourism. It is unfortunate that personnel changes in the state offices dealing with these issues are taking place right at this moment. In view of the fact that the National Bureau of Tourism has no leader, and supervision over tourism is being transferred from a deputy state secretary to a minister (whose mind is occupied

with problems of the entire industrial sector). It is hard to imagine that we can devote sufficient attention to these important questions.

Whatever the outcome of political personal infighting, Hungary needs a new concept of tourism if we do not wish to see a decline in revenues that would perceptibly damage the country's balance of payment. The absence of such a concept, combined with the surrounding factors of inflation, chaos, economic crisis, and the deterioration of public safety, would lead to Hungary's irreversible degeneration on the global tourism market.

Farmers Reclaim Land Illegally: No End in Sight

Delaying Law Endangers Coalition

91CH0380A Budapest TALLOZO in Hungarian No 4, 25 Jan 91 p 156

[Article by Laszlo Csaszar Nagy reprinted from *MAGYAR NEMZET* 21 January 1991: "Stakes"]

[Text] The mood was unquestionably upbeat at the land redistribution proceedings held last weekend in four Hajdu-Bihar county settlements. Standing under the tricolored flag, weary, but hope-inspired elderly farmers were taking big swigs from their brandy flasks as they began parcelling the land and planting their stakes, using methods they had learned from their fathers. They argued that their action was described by some Smallholders Party officials as historic, in that it accomplished something which the lawmakers had failed to accomplish. They declared that it was now up to the deputies to officially sanction the farmers' land reclamation. (According to the statutes currently in force, land reclamation is against the law.)

The deputies will hardly give in to external pressures bolstered by arbitrary land reclamations. This is not the first time, and presumably also not the last, that with our without the blessing of the Smallholders Party, farmers have moved symbolically or de facto to reclaim what they felt justly belonged to them. By doing so they have presented the coalition and the legislature with quite a challenge. Amidst this tug of war the parties involved have exchanged a variety of accusations. Last week, for example, the Smallholders charged that the strongest governing party has betrayed its constituents. In other words, there is no compromise or peace on the land issue. This, despite the fact that within the past 10 months there have been several reports claiming that the coalition partners have come to an agreement on settling the land ownership problem.

Today tempers are flaring out of control. This is also an indication of a growing fear that the governing parties themselves will be unable to come to a compromise on the land question. This also jeopardizes the future of the coalition. One sign of this growing rift was yet another threat voiced last week by leaders of the Smallholders Party that they would quit the coalition.

So the decisions involved are difficult, but this renewed threat tends to suggest more and more that in its present composition, the coalition will be unable to solve the issue of land ownership. Despite the denials, the illusory agreements of the past 10 months, and the vehement accusations exchanged in their wake, can only lead one to conclude that the coalition is too fragile to be able to address this fundamental issue by rising above their political promises and giving precedence to the interests of the country.

There is a real danger that this increasingly vehement and acrimonious debate will have an adverse impact on the country's interests. As a result of the failure to get the land issue resolved, it is not only agriculture that has been put in an intolerable situation. For reasons of self-preservation, local governments will also not be able to function much longer without a land law. The lack of enforceable laws will also eventually undermine the stability of local representative bodies. Without a land law, in some areas they do not even dare to sell construction sites to interested citizens.

The big question is this: If the time since the political change has not been sufficient for the two strongest governing parties to work out a compromise on a question so fundamentally crucial to the country's future, can they be expected to come to an agreement within the next couple of weeks? The voters are already looking to the parliament for a decision. However, before such a decision can be made, the coalition partners must finally lend it their support because the parliament by no means has a mandate to sanction the will of a single party.

Farmers Begin Land Reclamation

91CH0380B Budapest TALLOZO in Hungarian No 4, 25 Jan 91 p 155

[Article by Jozsef V. Farkas reprinted from *HAJDU-BIHARI NAPLO* 16 January 1991: "Land Reclamation and Responsibility"]

[Text] Balazs Szarka was right when with youthful vigor he proceeded to plant a stake to mark the edge of his old, new plot. The whole country has become familiar with the names of the Alsonemed land reclaimers, and presumably their example will be followed by many others still awaiting land. The three pioneer families have shown the world that even without power and the means to defend themselves, determined and carefully calculating farmers can be successful.

Balazs Szarka's justice could have also drawn punishment as he moved to seize land arbitrarily, casting aside all existing statutes. Punishable justice sounds like a strange dichotomy, but this strange situation has been the result of months, years, and decades of increasingly pressing events. It has been barely a half century since the Hungarian peasant was first given the chance to farm freely on the land he had inherited, received, or bought. This new spirit lasted but for a brief moment, only to be followed by a long period of sometimes more and

sometimes less brutal forms of repression, both of which resulted in the same outcome: They left the peasants who were robbed of their land, and deprived of their existence as small land owners.

The otherwise sensible and industrious people of the villages have been deceived time and again. These deceptions were not particular solely to the so-called socialist society of the past; our young democracy has also not broken with those traditions.

Our peasants have become pawns in a game of political wheeling and dealing. Big-talking demagogues, inexperienced in agriculture, have taken upon themselves to espouse the cause of agriculture, making irresponsible statements that are rarely followed up by action.

At the same time, agriculture continues to visibly deteriorate. Unsold mountains of meat, cattle forced to be slaughtered, farms struggling on the edge of insolvency are all signs of decay. It is difficult to determine whether inept management at the helm of the agricultural branch has caused this economic crisis, or just the other way around.

It was against this background that Balazs Szarka has decided to carve a stake, fetch his hatchet, and proceed, unlawful and arbitrary as it may have been, to reclaim his ancient inheritance. What else should he have waited for? The promises made in the spring have faded away, and when the long-awaited sowing time finally came, the furrow splitters did not plant the seeds the way he wanted them. Prudence gave way to a healthy desire to act, and restlessness, fanned by uncertainty, encouraged the land reclaimers to begin to plant their stakes. They were clearly conscious of their actions, but having become fed up with the policy of delay, they decided to take control of their own destiny starting this spring.

Therefore, as a minimum, the responsibility should be shared by the unlawfully acting farmers and the politicians, who for all this time have been putting off passage of a land and cooperative law. The share of the blame is hardly worth debating since both sides will need to take steps on their own to change their attitudes. The ardent people of the countryside need to learn more self-control, while our inert lawmakers need to pick up more speed.

After endless delays, the time has come to clarify once and for all what the peasantry is entitled to, what rights they have, and what opportunities, rules, and legal considerations they must take into account in weighing the pros and cons of state, cooperative, and private farms. With the help of a clearly stated law, we could determine who is satisfied with his present lot and economic position, and who would like to embark on a new course and start a family farm. As a consequence of political procrastination, no one today really understands the true intentions of the peasantry, and there are no numerical statistics to show what form of agriculture they prefer. This is why it is possible today to talk so

vaguely and forebodingly about "land laws that reflect the needs of the people, and mob-like seizures of land all over the country."

Hopefully Balazs Szarka will not have a large following. This, however, will depend on whether or not peasants who have been loyal to their cooperatives and are now working hard to have their own farms will get an answer in the near future that is both reassuring and final. In other words, the handles of the hatchets used to plant stakes do not rest in callous hands.

Local Mayor Voice of Moderation

91CHO380C Budapest TALLOZO in Hungarian No 4,
25 Jan 91 p 155

[Article by—weisz—reprinted from MAI REGGEL 21 January 1991: "Land Reclamation With Unanswered Questions"]

[Text] The journalist was suddenly overtaken by the same feeling he used to have a few years ago on our red-letter holidays. After the playing of the national anthem, people in positions of authority took turns making speeches. Without anyone paying much attention to the rules of protocol, the first one to pick up the megaphone was county general secretary Sandor Szabo. In his occasionally tough, and perhaps not exactly the most ethical speech, he referred to 19 January as a historic day. He claimed that in Hungarian public life today, "the Smallholders were the only party who paid more than lip service" to getting things done. In his opinion, they were the only ones to have lived up to their promise by making a firm commitment to returning the land to its rightful owners. He stated laconically that there is no need for a land law since the parliament "has been taking the side of the thieves these days, and do not represent the interests of the honest Hungarian peasant." His message to the "fad parties" was that the Smallholders would be around even after the others have ended up on the same heap where the Party of Hungarian Life, the Arrow Cross Party, and the Communists have found themselves. He drew a parallel between the present government and the worst form of police state, insisting that he saw no differences between them. Naturally, he expressed concern that after this event, certain quarters will attack their leadership, hence, he announced the creation of a smallholders solidarity fund which would be used to cover various fines and to compensate the victims of "state-sponsored robbery."

Sensing that his county assistant had gone too far, Sandor Cseh tried to lighten up the mood by taking a slightly more moderate stand. The crowd occasionally even broke into cheers, and reacted with enthusiasm when the mayor of the village was asked to express his opinion. Barna Fagyal refused to toe the line, i.e., to throw his weight behind the planting of boundary stakes. He gave in only after being jeered as a communist and a turncoat. This was what he told MAI REGGEL:

"The office of the mayor agrees with the reclamation of land, but not with the methods with which it is being done. I made my views clear weeks ago. I firmly believe that this kind of guerilla action makes no sense until the parliament resolves the issue."

The next half hour evoked images of scenes witnessed 45 years earlier. They brought out the "tools" and divided up 600 hectares of land around the railroad. Even though the action was symbolic, the producers' cooperative of the nearby village of Ujleta has threatened to sue as this land belonged to them. They have been leasing it from Vamospercs since 1986. As a result, a kind of "thanks for nothing" attitude has taken over the frozen stubbles. Although there was land and plenty of people to claim it, no one could declare ownership over the staked out plots.

The crowd nevertheless enjoyed the morning as the sun came out. In conclusion, they sang the song "I Had Faith in You," and proceeded to march on toward nearby Nyírmartonfalva, where a similar action was getting underway. There was one thing that the county smallholders did form a consensus on: collectively blasting the government.

Amendments to Social Security Law Discussed

Benefits Increased

91CH0383A Budapest TALLOZO in Hungarian No 4, 25 Jan 91 p 153

[Article by Arpad Hudra summarized from MA REGGEL 17 January 1991: "They Finally Increased Them: Pensions, Child Support Assistance, Family Allocation"]

[Text] The deputies ratified modifications of the law concerning the fund for social security and its budget.

One of the most important among these modifications is the one according to which the government must make a proposal to the National Assembly, no later than 30 June, concerning an increase in the allocations, keeping in mind the inflation and the fluctuation of net average wages.

They also ratified the modification in the law concerning social security. The vote to determine whether the new law on social security is to come into effect will take place on 1 January 1992, and its draft should be introduced by the government not later than 31 August.

In the choice among the alternatives for increasing pensions, the so-called combined D-version won, which takes into consideration the length of time served and the years to retirement, while also keeping in mind various social circumstances. The value of increase is at least 1,000 forints, and not more than 3,000 forints per month. Those who retired within five years will receive an eight percent increase, with nine percent to those whose retirement date was between five and fifteen

years, and 11 percent to those who retired more than fifteen years ago. The increase granted in accordance with time in service: 13 percent for those with 10-19 years; 14 percent to those with 20-29 years, 16 percent to those with 30-39 years; and 18 percent to those with more 40 years.

The allotment for child care will be increased by at least 900 forints per month. Family allotment per month will be 2,170 forints for a family with one child, 2,570 forints for a single parent with one child, 2,570 forints per child for a family with two children, 2,900 forints per child for single parents with two children, 2,900 forints per child for families with three or more children, and 3,000 forints per child for families with three or more children.

Unexpected Outlays

91CH0383B Budapest TALLOZO in Hungarian No 4, 25 Jan 91 p 153

[Unattributed article summarized from NEPSZAVA 17 January 1991: "Pension Victory"]

[Text] Victory. Not yet in the Near East, but in the National Assembly, where the committee on health, social welfare, and family protection showed sensitivity worthy of its name. But they were not alone; the deputies took three versions of a proposal and created a law from them.

In a seldom-seen unity of six parties, the committee and the National Assembly favored the new version by a 98 percent majority. With similar unity, they proposed that instead of 30 billion forints, 47 billion forints should be distributed by 1 January. The reason being simply that 1 January is the date after which the price hikes planned for this year go into effect.

Of course, the 23 percent raise in pensions does not solve the problems of the elderly, but it might lessen their severity, to the degree that is possible. This time, one step sooner than the similarly urgent increase in wages.

We can only wish that the practice would catch on.

Higher Payments Due

91CH0383C Budapest TALLOZO in Hungarian No 4, 25 Jan 91 p 153

[Article by Judit Kovacs summarized from MAGYAR NEMZET 17 January 1991: "The D-Version"]

[Text] It was a happy turn of events that they took into consideration the years spent in service, the individual's need, and the date of retirement. It is well known that, even when we are talking about a life-work of similar length and worth, the old pensions are skimpier than the newest ones. It is not possible to make a complete compensation, but if this rightful demand is recognized, there is hope that the practice will continue.

They are debating whether or not the D-version brings about the realization of the insurance principle. Perhaps we are closer to it. After all, this version states that

pensions are not charity. One did not merely pay monthly premiums, but also worked for it.

We can also be glad that the National Assembly did not vote for the billions to be given to the elderly "to the detriment of children." After all, the family allotments and child-care subsidies will also be greater. "The detriment of children"? Regrettably, in the process of impoverishment, an artificial conflict of interests came into being. If more money is voted in for the elderly, then certain people will protest in the children's name; and if the children's social welfare is improved, some of the senior citizens will complain that they are forgetting about them. In a healthy family, no such conflict exists. The middle generations are as equally worried about the livelihood of their ageing parents as the present and future of their children. It seems that the National Assembly supports a profamily social policy, which is praiseworthy.

We could also be glad on the political level. The social committee of the National Assembly cooperated in preparing the D-version; and did so in a way that combined the advantages of each of the other versions. They operated in a humane, wise, proficient, and democratic manner, utilizing the collaboration of the Ministry of Social Welfare and incorporating the observations made by the Chamber of Retirees.

However, the greatest triumph was gaining the approval of the budget committee. After all, we have gotten used to seeing social welfare measures voted down under the pretext of protecting the economy. This time, things went differently.

The deputies who participated in the work know that if they had more time and available information, their proposals could have taken a more discerning form, and then they could have involved the interested segments into the preparatory work from the beginning.

All in all, the National Assembly voted to spend 47 billion forints to raise the amount of pensions. Its decision was not without risks. The social security machinery approved of this amount only in the hope of growing incomes. If its debtors continue their failure to pay, and if unemployment will be greater than expected, then the social security budget will not be able to pay the higher pensions. Still, we should not worry, the risks are assumed by the government.

On the other hand, it is not impossible that social security will be able to collect its outstanding debts, in which case there is a chance to make a thirteenth-month payment to pensioners.

POLAND

Minister on Foreign Trade Goals, Developments

91EP0306A Warsaw RYNKI ZAGRANICZNE in Polish
No 12-13, 26-29 Jan 91 pp 7, 8

[Interview with Dariusz Ledworowski, minister of foreign economic cooperation, by Maciej Tekielski; place and date not given: "A Normal Element of a Liberalized Economy"]

[Text] [Tekielski] Mr. Minister, in your professional career the focus appears to have been on institutional aspects of foreign trade. How do you perceive the place of that trade in the economy and economic policy today?

[Ledworowski] In my long career as a professional researcher into the institutional aspects of foreign trade I have always had the feeling that the related problems were treated by the decisionmaking circles as a secondary factor in the operation of Polish foreign trade. I am gratified to note, on assuming the post of the minister of foreign economic cooperation, that by now it is obvious that the opening to the world through foreign trade is an integral and, at the same time, normal element of a liberalized market system. There is no longer any need to prove how an open system based on foreign trade influences the effectiveness and growth of the economy.

Already in the 1970's the opening of the Polish economy had been advocated, though without an attendant relaxation of the domestic command-allocation system. At present foreign trade is accomplishing its purposes, not through some separate instruments and "enclave" solutions, but as a normal component of an integral system.

Foreign trade is not, contrary to its treatment in the past, a means of procuring hard currencies; rather, it is an indispensable element of the economy as a whole which—let me repeat some textbook phrasings—influences the directions and dynamism of economic growth, shapes the structure of production and trade from the standpoint of comparative costs by making possible the choice of the most effective fields, and serves as a criterion for the level of domestic costs and prices.

Let us consider the results of last year's foreign trade, which had served to appreciably curtail the recession. The export-oriented enterprises coped splendidly. Had not it been for this dynamism in exports, output level would have been much lower.

And, as for the effects on economic effectiveness and structure, last year significant shifts took place in our exports and imports. Thus while overall imports declined, investment imports increased, and that presages future restructuring. Agricultural imports became diversified. The huge purchases of wheat, feeds, and meat were replaced with imports of finished goods. Overall imports of agricultural and food articles

declined, although a converse impression is produced. In their turn, imports of producer goods declined more than output did, which points to the onset of some rationalization of production.

[Tekielski] In an intensively liberalized economy such as ours the role of the government should diminish. Will the functions of the ministry you direct become curtailed?

[Ledworowski] Only the typical command-allocation functions are decreasing. The ending of intergovernmental trade with the payment zone [based on the exchangeable ruble] [and its replacement with direct trade between enterprises] means the elimination of many agreements pursued by the ministry on behalf of the national economy, agreements which require subsequent allocation of tasks to enterprises. Similarly, the ending of export subsidies means in its turn that financial instruments will not be used for the attendant regulatory purposes.

On the other hand, the role of the ministry as a central agency formulating, implementing, and coordinating the government's policy on foreign economic cooperation is bound to increase. So far this policy has been pursued by many discrete entities to the disadvantage of the national economy.

During the transitional period of creating an open market economy, new functions also are appearing. During this period the government must participate in creating what I would call the institutional order proper to a market economy. This refers to functions relating to the coordination of economic promotion, shaping of ownership transformations in the domain of foreign trade, the creation of a customs infrastructure, and the formulation of a policy on the training of personnel and its adaptation to new needs.

[Tekielski] Treaty activities remain an important role of your ministry. How do you intend to assure an improved access to foreign markets for our exporters?

[Ledworowski] Our access to EEC markets at present is the best that can be achieved by a country which is not a member of that grouping. One may question whether certain quotas should not be greater, but under the present formula much more cannot be accomplished.

We can achieve greater concessions only if we become an associate member of the EEC. We have already completed the initial stage of negotiations with the EEC. In mid-February we will have begun extremely specific negotiations concerning a free trade zone. Our general premise, and one which is besides already accepted by the EEC, is a nonequivalent, that is, a somewhat asymmetrical granting of market access concessions to us. During the first period the concessions would be granted by the EEC. They could encompass, e.g., the abolition of quantitative quotas and the abandonment of the principle of minimum prices for certain products. At the

same time, however, Poland would continue for some time to apply the existing guidelines for access to its market.

I believe that we should thus succeed in enhancing as of 1992 our access [to EEC markets] for certain commodity groups, e.g., metallurgical products and textiles. But as for agricultural products, that will always be a most difficult problem, owing to the joint policy of the EEC in that field.

Several days ago we also commenced negotiations with EFTA [European Free Trade Association] countries. Bilateral agreements with discrete EFTA member countries also will be required. But their direction is the same, that of achieving a broader opening of the markets of our partners, coupled with cautious concessions on our part.

[Tekielski] In Poland, too, voices have been raised in favor of protecting the domestic market, e.g., by imposing high duties on food imports. Do you intend to oppose such pressures, and how?

[Ledworowski] This is an interesting and significant occurrence. Above all, it is the best proof yet that the market mechanism of an open economy is indeed functioning in Poland. This means that the currency exchange rate and the levels of the customs duties do influence import decisions, and that foreign competition has already begun to exert its influence. Previously no such problems had existed in general.

We shall counteract purchases of goods which threaten our market and are in the nature of so-called dishonest competition, that is, they are being sold below cost—as the prime minister in his address to the parliament has already stated—but on the basis of recognized worldwide principles.

There exist developed procedures for counteracting such occurrences. Please consider that Poland is a participant in GATT's [General Agreement on Tariffs and Trade] antidumping code and that its customs law has already incorporated provisions governing antidumping proceedings precisely pursuant to that code. So far, however, no actual antidumping proceedings have yet been initiated. The initiative in such cases must be taken by the entities threatened by such imports, and they have to prove the threat. It is not enough to be guided by a subjective or intuitive feeling of a threat.

Despite the general claims that Poland is being threatened with a flood of cheap foreign food, there is not at this time any specific instance. We can take specific measures only against specific commodities. We cannot provide some general protection for any subsector or field.

We desire to ratify as soon as possible the antisubsidy code adopted by GATT many years ago. On the basis of that code, procedures for applying antisubsidy duties can be applied if it is proved that a given import has been subsidized.

Lastly, a third important element is the work on the new customs tariff which is to be introduced as of 1 July 1991. That tariff is to shore up our acceptance by GATT, as well as our negotiations for associate membership in the EEC. It should be adapted to our current realities. The old tariff had been introduced 15 years ago in a completely different situation. Many of its provisions no longer meet Polish interests, because the duty rates were taken as, e.g., averages of the duty rates of other countries, instead of being inferred from an analysis of our economy. The provisions of the new tariff should meet the interests of our industrial and agricultural policy.

I wish to state clearly that it is not our purpose to strengthen economic protectionism. That would affect adversely the restructuring of our economy and the influx of foreign investments. However, the structure of the customs tariff may be altered within the framework of the existing mean level of customs protection.

[Tekielski] Do you intend to carry out any organizational restructuring of your ministry? Have you already selected your associates, e.g., deputy ministers?

[Ledworowski] I have certain plans for changing the ministry's organization but I do not intend to implement them at once. These plans apply to the treaty and geographical departments, chiefly in connection with the new guidelines for trading within the first payment zone. As soon as the new system gels, I intend to carry out a departmental restructuring in conformance with geographical regions of the world.

As regards the number of the departments and their staffing, I foresee no need for any basic changes. Most such changes have already been performed by Minister Jastrzebski, who slashed the number of the departments and their personnel nearly in half.

I intend, however, to alter the operating principles of the Trade Department. The functions relating to the widening of access to foreign markets for different commodity groups should be distinctly separated from the allocation and quota policy. The point is that the ministry employees who negotiate and coordinate these quotas should do just that without also attending to the allocation of these quotas among the enterprises.

I would also like to change the guidelines for the reception of applicants. The present situation, in which petitioners stroll throughout the ministry building and meet foreign delegations is untenable.

As regards my associates, I have already chosen my team. I have selected experienced people, both civil servants and practitioners. On my request, the prime minister will for the time being appoint three of my deputy ministers and in the meantime I shall myself, in addition to my normal duties, directly handle relations with CEMA countries—a subject that had been my chief preoccupation last year.

[Tekielski] Much has been said recently about the reorganization of Polish foreign economic and commercial missions and their eventual transfer to the jurisdiction of the Ministry of Foreign Affairs. At the same time, people are speaking of the establishment of foreign promotion centers by the Promotion Center of the Polish Chamber of Foreign Trade. Which network of centers do you consider optimal?

[Ledworowski] Steps should be taken as soon as possible to implement the agreement concluded with the previous heads of the Ministry of Foreign Affairs, namely, to integrate the economic departments of our embassies with our offices of trade counsels in certain countries, but this does not mean their transfer to the Ministry of Foreign Affairs. This concerns the former socialist countries, in which this unhealthy dualism exists.

It must be clearly stated that the operation of government trade centers abroad is necessary, and that it exists under every system of society. But the manner in which it is organized differs. I believe that in the world's 30 or 40 large and important countries there should exist economic and trade offices operated by diplomatic missions along with separate promotion centers. In these countries the operative trade network should be separate from the network of the offices operated by diplomatic missions.

The second group is the countries of medium importance. There, promotion of trade may be handled by diplomatic missions without the need to establish separate promotion centers. That promotion should still, however, be handled by personnel of trade promotion institutions, chambers of commerce, etc., rather than by diplomats.

In countries of minor importance to our foreign trade, integral departments of Polish diplomatic missions should handle all the functions of trade promotion and trade itself, including operative trade.

[Tekielski] The extremely good export results last year ensued from a favorable situation, namely, the demand barrier in this country and the revalued currency rate of exchange. Might not other export stimuli be necessary in the future, and do you intend to take the related initiative?

[Ledworowski] Although a major part of my career as a[n economic] researcher has been linked to the exploration and development of various export stimuli, last year has showed that the best stimulus is a balanced market with the predominant features of a consumer's market and with a stable currency exchange rate. Discrete economic instruments have never operated to a greater effect than the current solutions, combined with a firm budget and credit policy.

That is why I am against those export stimuli that would be in the nature of hidden subsidies. The more so considering that they would trigger an avalanche of diverse pressures that subsequently could not be halted.

Any and every subsector would then readily offer proof that it is in need of economic instruments of that kind.

I believe that exports can be stimulated without acting illogically, without impairing the stability of the currency exchange rate. This can be accomplished by, e.g., providing hard currency loans and a system of guarantees and insurance, a system that we are besides already putting into operation.

[Tekielski] Such a role is also played by export promotion. Do you intend to support it?

[Ledworowski] The promotion of exports is widely scattered in our economy. Many institutions attend to it, but when promotional materials are needed they are hard to obtain. I would like my ministry to coordinate and sponsor that promotion during the period of the construction of a market-based infrastructure of foreign trade. We have a suitable instrument for this purpose in the form of the more than 300 billion zlotys earmarked for this purpose in the State Budget.

But I would not like these funds to be distributed bureaucratically. I would like to appoint a broad consultative body that would include representatives of the National Chamber of Commerce, the Agency for Foreign Investments, and various foundations. That council would work out the directions of promotion and dispose of these funds. I view as particularly important the preparation of various guides and information materials for foreign traders and the sponsorship of new proexport enterprises and initiatives.

[Tekielski] The drive for privatization also is affecting foreign trade. How do you view the related initiatives, and will you support them?

[Ledworowski] In general I believe that foreign trade should be privatized but, in view of its particular nature, this should be approached cautiously. Our ministry is acting as the parent agency of 15 state enterprises and represents the State Treasury [as a partner] in 46 foreign trade joint-stock companies.

By way of an example, in 1989 the combined volume of trade of these enterprises amounted to 26 trillion zlotys and their aggregate assets were worth 800 billion zlotys. This demonstrates how profitable these enterprises are by still benefiting from the effects of the [state's] monopoly on foreign trade for dozens of years in the past, and also thanks to their domestic contacts, a strong position abroad, access to credit, experienced personnel, etc.

As a result, the profits of many of these enterprises are often in the double digit multiples of the value of their assets. This should be taken into account when privatizing them so as not to hazard justified criticism by public opinion and not to compromise this economically necessary orientation.

Some two weeks ago the Council for Privatization, chaired by Professor Rosati, was established. Its purpose

is to develop a broad concept for privatization in our sector and, next, to draft proposals for desirable kinds of privatization of different types of enterprises, as well as to evaluate the related recommendations and provide general advice on matters relating to privatization.

Initiatives for privatization should come from the bottom up; we do not want to impose them from the top. But we shall require certain standards for both the appraisal and the strategic development vision of companies. Such privatization must be well prepared.

Many privatization proposals of the employee stock ownership kind, in which assets are appraised on the basis of their book value, are being offered. We shall not support proposals of this kind.

[Tekielski] At your cross examination by the Sejm committee you declared your intention to support the creation of organizations of producers and exporters. The establishment of such associations and chambers is a lengthy process. How do you intend to accelerate it?

[Ledworowski] I am aware of this dilemma. Of course we shall not decree or accelerate anything from the top in this respect. We can only persuade by pointing to a commonality of interests. I count greatly on assistance from economic chambers, which will influence their members. I believe that many Polish exporters will understand that they have common interests and that they will only lose by competing against each other abroad.

Only the common sense and farsightedness of producers can prompt them to cooperate. This requires practically positivist work [a reference to a distinctive Polish variety of the philosophy of positivism, opposing romanticism and stressing practical, constructive work]. Unless the exporters and producers themselves cooperate, it is practically impossible for us to effectively counteract their mutual competition [abroad]. We might have to again introduce trade licenses and price controls and resume government controlled barter trade. We shall point to the adverse consequences of lack of cooperation (e.g., the introduction of equalization fees in the EEC) and encourage and assist the producers and exporters in organizing themselves.

[Tekielski] The scope of your powers includes the supervision of customs services. The elemental explosion of foreign trade has overwhelmed them. How do you react to this?

[Ledworowski] The delays in processing dutiable goods in Warsaw on which television broadcasts so much like to dwell must be eliminated. The customs service is to be provided with an additional site by the municipality and to start a second shift operation. There is a need for radical changes, and certain conditions for them have already been created.

The principal problem in this respect so far has been the shortage of funds for expanding the customs infrastructure and employing more customs personnel. Owing to the strong support by, among other things, the Sejm Committee for Foreign Economic Relations, the government has revised the draft for this year's budget so as to increase to nearly 500 billion zlotys, from about 200 billion zlotys, i.e., by a factor of about 2.5, the funds earmarked for, chiefly, modernizing customs facilities, adding new service positions, and increasing employment.

From the Fund for Exports Development 30 billion zlotys has been allocated for computerizing border crossings and opening a pilot facility at Okęcie Airport. In addition, 35 billion zlotys have been earmarked for financing the preparations for introducing in 1992 the new customs procedure and statistics known by the acronym SAD [Single Administrative Document] (a multipurpose document used in the EEC and also serving as a customs declaration). Financial aid by the EEC has also been granted for this purpose.

Hence this year the problem of a fund shortage in the customs service should disappear and the principal problem will be how to absorb and efficiently utilize funds. The work on SAD has been underway for a year. In addition, instructions and guidelines for using that system are being prepared. However, SAD cannot operate in the absence of computers and data transmission between border crossing points and the central office.

The introduction of this system will serve to monitor, e.g., the utilization of import and export licenses and the adherence to their terms, and to detect instances of falsification, because such instances do occur. Above all, however, this makes it possible to continuously monitor the movement of goods on the basis of data on actual frontier crossings, without which it is difficult to pursue trade and customs policies.

Changes in legislation also will be needed. The customs law should be amended to facilitate customs clearance procedures, for example, by allowing customs clearance not just at the frontier but within a broader zone. This also concerns streamlining the procedure for the provision of guarantees for, e.g., reexportation. The new laws should counteract irregularities and even crime and corruption.

[Tekielski] Despite the extensive organizational changes in foreign trade and the totally different present conditions of its operation, managerial personnel at foreign trade entities has remained basically the same as several years ago. Do you view this as proof of their great value and abilities, or are you in favor of broader opening to new blood?

[Ledworowski] It seems to me that this year will represent the most severe test of the abilities of managers in foreign trade. Exports to the West will be more difficult, while in the East trade will no longer be of the automatic,

government prescribed kind. The managers who succeed in adapting themselves and their companies to these new conditions will survive. Foreign trade enterprises will have to broaden the traditional scope of their activities so as to include consignment depots, wholesale trade, and sometimes even retail trade. This will be a real test of managerial ability, for competition by new companies, agents, and trade missions is growing. Subsector divisions no longer apply.

I would like personnel policy to be lucid, open to new and young managers. Hence, in every enterprise in which our ministry has a voice on the appointment of managers, open competitive appointments are a requirement. Such competitive appointments are not restricted to persons linked to a given enterprise, and they offer equal opportunity to all. [Tekielski] Thank you for the interview.

Description of 1990 Foreign Investments

91EP0303A Warsaw RYNKI ZAGRANICZNE in Polish
No 11, 24 Jan 91 pp 7, 8

[Commentary by Hubert A. Janiszewski, deputy chairman of the Agency for Foreign Investments, as noted by Monika Sowa: "A Good Year for Foreign Investments in Poland"]

[Text] It would be hard to call the past year a breakthrough year, but compared with 1989, to say nothing about the years before that, it was a very good year from the standpoint of the flow of foreign capital into Poland. First of all, the Agency for Foreign Investments issued 868 permits in 1989 for the formation of foreign capital companies, while in 1990 it issued 1,923, i.e., more than twice as many. Second, our preliminary estimates indicate that the flow of foreign capital into Poland last year exceeded \$1 billion. This sum constitutes initial capital as well as the declared value of investments in Poland. Thus, the flow of foreign capital last year was much larger than in 1989, to say nothing of the preceding years. Let me remind you that the total capital invested by the so-called Polonia firms is estimated at \$150 million. Therefore, a qualitative jump occurred last year from the standpoint of the number and size of direct foreign investments in Poland.

The fact that very large, renowned firms began to enter the Polish market is also extremely important. We noted 38 firms from among the largest companies on FORTUNE magazine's ranking list. These large corporations are entering Poland either by establishing a company with a Polish partner, or by establishing a 100-percent owned branch. Among the permits recently issued by the agency we find a license for the American corporation Procter & Gamble, which is one of the world's largest producers of cosmetics and general use chemical articles, with annual sales of \$25 billion. Another large investment will be Coca Cola Poland, whose ownership share will be 100 percent. It is investing approximately \$30 million for the construction of a bottling plant. Another

large firm which has come into Poland recently is RJR Nabisco. We also have a company jointly formed with a South Korean firm. This is Hyundai, which has joined up with Selko, a private Polish firm. This growing interest in Poland on the part of large international firms is particularly gratifying, and from this standpoint this was also a very good year.

The readers would probably like to know when we will feel the presence of foreign capital, especially that of the large international corporations, on our market. Obviously, this will not occur immediately, because even in large enterprises the investment cycle cannot be shortened beyond a certain indispensable minimum. I believe that those companies which obtained permits from the agency in 1990 will be visible on the Polish market by about 1992, which does not mean that in certain areas this will not occur sooner.

Among the best examples of the cooperation of Polish enterprises with foreign capital we should mention Asea Brown Boveri (ABB), which last year established three companies in Poland: one with Zamech and two with Dolmel. A total of 9,000 people are employed in these companies. All of them, thanks to their joining up with ABB, received some very large export orders for this year. They have been completely restructured and their organization and management has been modernized. ABB is conducting training for the managerial staff (approximately 45 people from all the companies). Also, the management staff has been rejuvenated. I do not have figures on Dolmel, but as regards Zamech, before it joined up with ABB the average age of the managerial staff was 56, and today it is 39. As we see, cooperation with a foreign firm means for a Polish enterprise not only access to the latest technologies and increased production due to many more export orders, but also modern management of the plant, professional training of employees, and the creation of possibilities for advancement for relatively young people.

I would also like to stress, in connection with the fears which, unfortunately, remain in Poland, that foreign capital will dominate, that neither ABB Zamech nor ABB Dolmel has even one foreign manager. All three plants continue to be run by Poles, the result of ABB's strategy of operation throughout the world that says that native personnel will be employed.

It is logical that Asea Brown Boveri or any other large firm which would like to establish its own branch or a company in Poland with local capital, would seek contacts with its own partners from the past. Brown Boveri was a licensor of Zamech, and Asea after merging with BB continued this cooperation; thus it was obvious that coming into Poland with capital, it would choose Zamech. United Technologies is also talking primarily with its traditional partners in Poland. Other firms are doing the same. It would be quite difficult for a large concern to talk with Polish partners from the beginning, without previous long or short contacts. This is a question of confidence in people. The fact that foreign

investors are choosing from among the best Polish enterprises is also quite natural. But it seems to me that firms whose situation is poor, which is sometimes due to reasons beyond their control, will also find foreign partners.

The agency's statistics show that foreign capital dominates in over 65 percent of the companies, and about 20 percent of them are owned almost entirely by foreign capital (over 90 percent). But an entire series of firms have this type of operations strategy throughout the world; they are not interested in joint ownership, but establish only branches which they own 100 percent. It seems to me that there is nothing threatening in this when they operate similarly in Poland.

Insofar as the geographical structure of the foreign capital coming into Poland is concerned, the predominance of German capital remains, but the share of this is steadily shrinking. In 1989 the share of companies with German capital in the total number of companies for which the agency issued permits was 60 percent. In 1990 it dropped to approximately 40 percent. It is anticipated that this year and next year this share will drop to 30 percent and will probably remain at that level, which will correspond to the true economic relationship between Poland and the Germans. During the past year, the expansive entry of American, British, French, Swiss, Swedish, and Dutch firms into Polish companies was observed. It is true that companies with German capital continue to predominate, but there is a distinct downward trend. The fact that the Germans were the first of the foreign investors on the Polish market is due both to the traditional expansiveness of the German firms and the geographical proximity. Particularly now, when we border on a united Germany, German investments in some areas of the country will continue to predominate, but as I said, to an increasingly lesser degree.

The fact that Japanese firms are beginning to enter Poland is also gratifying. A 100-percent Japanese owned branch of Nissho Iwai was established recently. Minolta and Mitsubishi are also present in Poland.

Among the sectors for direct foreign investments, the food sector continues to be in the forefront. This is a traditional field for investment in Poland. There were large investments last year in the construction-materials industry, and more and more firms are engaging in the production of not only traditional, but also newer construction materials in Poland. But problems and disputes still arise with the Institute of Civil Engineering, which continues to live in the past, and we also have problems with the design offices which continue to get a certain percentage of the value of the designs. As a result they are interested in expensive and not in cheap investment projects.

Services, broadly interpreted, including transport services, are an important field for foreign investment in Poland. More and more small transport companies, equipped with few, but high quality trucks, are springing

up. This enables them to haul to the EEC countries, where, as we know, our old Polish trucks will soon be denied entry. The competition of foreign capital transport firms has also exerted a favorable influence on the quality of services offered in Poland in this field.

Foreign investments in the hotel branch are developing at a very fast pace. I need not mention the Marriott Hotel; its existence has had a very positive effect on Orbis hotels. In Warsaw, Trusthouse Forte will soon appear. It will renovate the Bristol Hotel, as well as Pullmann and Sobieski on Zawisza Square. Outside of Warsaw many new hotels are being built by foreign hotel chains. But there is a big problem here. The new governments, chosen in the local elections, are creating enormous difficulties in the sense that the procedure of making decisions as to where these hotels will be located is being prolonged into infinity. Unfortunately, this pertains to many of the largest cities in Poland. This is a very dangerous phenomenon. I am afraid that if this state of affairs continues, no high quality hotels, so indispensable, will be built in Poland.

A great deal of foreign capital is also being invested in the industries traditionally belonging to the electromotive branch, e.g., in the production of farm machinery and equipment.

I have hopes that privatization will be an additional channel facilitating the inflow of foreign capital. Unfortunately, the agency's past experience shows that there is in Poland a subconscious fear of selling significant shares of state enterprises to foreign investors, and without these sales privatization will not succeed. From my two years experience in the agency and my many contacts with potential investors, it seems to me that there is in the Ministry of Ownership Transformations the view that foreign participation should be minimal in privatization. Yet, if important foreign investors are not able to obtain a controlling share of the stock, they will not become involved in the privatization process. If we want to restructure the economy through privatization, we must give a clear signal to foreign investors that we are ready to meet their demands.

I also have hopes that Prime Minister Bielecki, who is a practitioner and feels the problem of foreign capital as shown in his expose, will accelerate the work on the new joint venture law and that the improved version of this law will be ratified in a short time. What will be the effect of this law on the functioning of the Agency for Foreign Investments? First of all, we will cease to concern ourselves with small investments, because all investments in the private sector and investments with state capital totaling less than a million dollars will be made by establishing and registering companies. The agency will thereby be relieved of 80 to 90 percent of the arduous and, I would say, not much needed at this time, work. This will enable it to concern itself with the larger investment projects in the strategic fields and in those spheres of the economy where the share of state capital is the largest. We will be able to offer assistance and advice

to the Polish partners and, in a certain sense, defend the interests of the State Treasury by helping to estimate the value of the material input of the Polish side.

The Agency for Foreign Investments will be able to do more in the way of active promotion. This means that after finding an interested Polish enterprise, its project or investment idea is sold to those foreign investment circles that have money. Therefore, for example, if a producer of shirts applies to the agency, then a complete financial and economic analysis of this enterprise must be prepared. A study of buyers and competition must be made, as well as trends in the development of technology in this field, and finally, foreign partners must be found who are interested in investing in the production of shirts. I fear that tens if not thousands of Polish plants are not yet prepared to do this themselves, i.e., prepare the data for the venture and find a partner. If the agency has the means, then I believe that within a limited range, i.e., 30-50 investment projects a year, it will be able to actively promote Polish enterprises abroad.

There is another way. Let us say that Poland is interested in investments in a specific region. We must then prepare a prospectus describing this place, indicate its advantages, give a detailed description of the infrastructure, etc., and then offer such a comprehensive prospectus to potential investors. We must also, as frequently as possible, offer additional incentives to investors, e.g., point to the existence of trade schools whose profile can be changed to adapt it to the needs of the industry which we want to develop. The agency could also conduct this type of promotion if it is granted the necessary funds. Right now local administration does not know how to attract foreign capital, and if it does know, it often lacks the money with which to do it.

There was not much active promotion of Poland as a market for capital investment, which was due, on the one hand to the burden of routine functions, and on the other hand, to insufficient funds which the agency had at its disposal. The draft of the agency's budget for this year has already been submitted by the Minister of Finance to the Sejm commissions, and the deputies called attention to the inadequacy of the funds proposed in the agency's budget and sent the draft for correction, i.e., to increase the funds, particularly that part of it which pertains to promotion. If suitable funds are approved, the agency will be able to actively promote Poland's image in the international arena, which right now is worse than that of its competition, especially Hungary and Czechoslovakia. Furthermore, there is now very strong competition among countries regarding incentives for foreign investment. Poland must put itself in a good position in this competition if we want foreign capital to help us in restructuring the economy.

We will also have to make an enormous effort to change the way society thinks in relation to foreign capital. We have done very little in this regard. That is why we have to come out with a specific information program as quickly as possible in order to to better and more

effectively convince society that there is no danger that we will be bought out by foreigners, and that foreign capital is not a 19th century capitalist sucking blood out of the workers and the self-managing enterprises. We want to place emphasis on this kind of change in awareness, as well as on training the administration and managerial staff of the enterprises in all problems connected with foreign capital, e.g., regarding company contracts, participation in negotiations, techniques of negotiation, etc.

Friction Over Holding Companies for Coal Mines

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(ECONOMY AND LAW supplement) in Polish
9-10 Feb 91 p 1

[Article by Barbara Cieszevska: "A Storm Around Holding Companies"]

[Text] The second subject, after the excess wage tax, about which arguments are going on, is the question of holding companies in mining in Silesia. Everyone agrees that the organizational, economic, and financial systems in mining must be changed. The independent coal mines are simply struggling to survive and there is no talk about future plans or investments for the future. The mines themselves are selling coal, which leads to such crises as in Jaworzno, where the town was almost blocked. They also tried to export coal themselves, but, not having any experience, they often unknowingly reduced the price of coal on the world markets.

Experience has shown, therefore, that the independence of the mines is truly an important matter, but a certain amount of cooperation would be extremely desirable. The Polish Hard Coal Agency (PAWK) presented the idea of a mining holding company (i.e., a company of companies), which would conduct a joint policy on wages, prices, and generally, speaking, optimization of profits (the draft speaks about maximization of profits while maintaining safe working conditions).

Almost all of the interested parties have already expressed themselves on this concept. They divided into two camps: the advocates and the decided opponents of holding companies.

The advocates include, obviously, PAWK and its supervisory council, which, in examining the three variants presented to it, i.e., leaving things as they are, creating a holding company, and the third variant, the creation of a concern, declared itself decidedly for the second. The Industry Minister Andrzej Zawislak, present at the council meeting, also leaned towards this concept.

The executive committee of the Mining Committee in the Polish Academy of Sciences also concerned itself with the problem. It unanimously voted for the creation of a holding company. The scientists propose that different variants of a holding company be prepared and then discussed with the workforces.

The Solidarity National Mining Commission [KKG "S"] is decidedly against a holding company. It believes that this would totally incapacitate the mines. The mine managements are already considering the possibility of joining up with capital companies, e.g., with power plants or steel mills. Participation in a holding company would make this type of connection impossible, according to KKG "S". The Regional Self-Management Accord, which affiliates representatives of the mines' workers councils, also entered a sharp protest. They maintain, in a published declaration, that the plan is unacceptable because it is another attempt at state management, while in their opinion, privatization should take place from the bottom up. Self-Management Accord intends to prepare its own rank-and-file privatization plan.

The Antimonopoly Office recently joined the opponents of holding companies. Its president, Anna Fornalczyk, during her visit in Katowice, said that her office would not grant permission for the creation of a holding company in the form proposed thus far, because it cannot agree to a coal cartel and to the destruction of competition in this branch.

It would be well to remember that no one has yet settled the question as to the final form of connections between mines. On the contrary, the minister of industry instructed PAWK to prepare various holding company options. All of the interested parties have the right to present their ideas. At the last meeting of the miners at the Wujek Mine, Minister Zawislak gave assurance that no solution would be imposed upon anyone from above. It is important that the best variant be selected jointly. The fundamental principle is that the selection be completely voluntary. Possibly these kinds of statements may lessen the severity of the conflict.

Coal Export Figures for 1990 Delineated

91EP0313B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 9-10 Feb 91 p II

[Article by Zbigniew Wyczasany: "How Much Coal Did We Sell?"]

[Text] RZECZPOSPOLITA has been able to receive figures—still preliminary—on the size of Poland's coal exports in 1990. It is no longer possible to obtain, from any one institution, prompt information on events in a given branch or sector of the national economy.

However, we learned from various sources that in 1990 Poland exported approximately 28.1 million tons of coal. The prices vary. There is no world commodity exchange for coal. The parties come to agreement on specific deliveries, mostly from the mine to the power plant (the idea is to match the combustion equipment with the caloric value, ash residue, sulfur content, etc., of the coal).

Out of the total amount of coal allocated by the government at the beginning of 1990 (15 million tons), after a number of decisions, permission was given to export one of the most important foreign currency commodities in the amount of 30 million tons. In actuality, it was possible to sell 28.1 tons.

The largest buyer of coal was the Soviet Union—8.6 million tons (we still do not know how much Polish coal was reexported to the former GDR as part of the agreement between the USSR, Poland, and the former GDR, and to supply the Soviet Army in Germany).

We sold 2 million tons of hard coal to Finland, 2.2 million tons to Brazil, 1.7 to Austria, 1.8 to FRG, 1.2 to Holland, and about 1 million tons each to Great Britain, Denmark, Sweden, and Italy.

However, we cannot obtain information as to possible exports of Polish coal in 1991. Presumably for the first quarter, the government described the size of exports as being about 2 million tons. Mines which were bound by long-term contracts and obligations to the State Treasury, consigned over 1.1 million tons of coal for export already in January.